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Western Officials Meet Secretly on Economic Policy

By Carl Gewirtz

Sept. 16 (UPI) — The interest-rate war in the industrial countries and the questions of the dollar were key themes discussed by ministers and central bank officials from the United States, Germany, France and other nations who met here this week secretly. Officials would confirm that the meeting was reportedly met today in the White House.

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President Carter shows the strain of the hilly run in Catoctin Mountain Park Saturday. He was forced to drop out.

A Pale, Wobbling Carter Quits 6-Mile Foot Race

By B. Drummond Ayres

WASHINGTON, Sept. 16 (UPI) — President Carter, wobbling, pale and sweating, quit a 6.2-mile foot race yesterday near his weekend retreat at Camp David, Md.

The president, an avid jogger who was to be 55 on Oct. 1, apparently suffered no lasting ill effects after dropping out of the run near the two-thirds mark.

After checking over the president, Dr. William Lukas, the White House physician, said (Continued on Page 2, Col. 7)

As Rebellion, Political Turmoil Intensify Taraki Quits in Afghanistan, Premier Amin Takes Control

By Barry Shlachter

NEW DELHI, Sept. 16 (AP) — President Nur Mohammed Taraki of Afghanistan resigned the presidency today, Radio Afghanistan reported, as intensifying rebel warfare and political discussion pushed the country deeper into turmoil.

President Taraki, 62, citing poor health, resigned in favor of Prime Minister Hafizullah Amin, 50. He is considered to be a more hard-line Communist than Mr. Taraki, and had forced him into the background in recent months to emerge as the pro-Soviet regime's strongman.

Afghanistan has been weakened by an internal split in the ruling Khalq (People's) Party and an insurgency by rightist Moslem tribesmen, who now control about half the countryside.

Mr. Taraki, a former journalist who once worked as a translator for the U.S. Embassy in the Afghan capital of Kabul, asked to be excused from his positions "in view of my bad health and nervous weakness," according to the Pushtu-language broadcast mentioned here.

Dominant Figure

Mr. Amin's takeover as president leaves him as the unquestioned dominant figure in Afghanistan.

Mr. Taraki's resignation followed the dismissal Friday of the last two military officers in Mr. Amin's Cabinet. Diplomatic sources reported today that the apparent Cabinet purge was followed immediately by shooting and loud explosions in the capital, but they could not say whether there was a direct link to the political developments.

The former president, although a Communist, was considered to be less radical than many of the people who brought him into power in April of last year in a coup that toppled President Sadr Mohammed Daoud.

Radio Kabul said the Afghan Revolutionary Council met in Kabul today and considered Mr. Taraki's resignation for four hours, finally relieving him of all of his posts and duties.

The diplomatic sources in Kabul, who asked not to be identified, said troops in the capital were quickly mobilized when gunfire began Friday.

It was the first report of widespread gunfire in the capital since Aug. 5, when loyal troops, backed by tanks and helicopter gunships, put down a mutiny by the 444 Commando Regiment at Kabul's Bala Hissar Fort.

Radio Afghanistan reported Friday that Interior Minister Col. Aslam Watanjar, a leader of the coup that brought the current regime to power, and Border Affairs Minister Col. Sher Jan Mazdaryar were



Nur Mohammed Taraki

Premier Criticized by Top Khomeini Aides Clergy Intensifies Attacks on Bazargan

TEHRAN, Sept. 16 (UPI) — Iran's increasingly powerful Moslem Shiite clergy today intensified its attacks on Premier Mehdi Bazargan and a key aide of Ayatollah Ruhollah Khomeini, alternate chief of the experts assembly studying Iran's new constitution, and Ayatollah Ahmad Azari-qomi, who resigned as Tehran prosecutor protesting government obstructionism.

It was the strongest barrage of criticism directed at Mr. Bazargan since he became Ayatollah Khomeini's provisional premier in February pending the transfer of power to an Islamic constitutional regime.

It was also the first time that members of the revolutionary council, Iran's supreme executive and legislative body, participated in an attack on Mr. Bazargan.

The attack indicated a reversal of circumstances. Until recently, Mr. Bazargan had threatened to resign but was urged each time by Ayatollah Khomeini to stay on as a religious obligation.

Criticism of Mr. Bazargan rose in mid-August when Ayatollah Khomeini, accusing the government of weakness, assumed command of the armed forces to crack down on rebellious Kurds in west Iran.

But the ayatollah, who is de facto head of state, subsequently threw strong support behind Mr. Bazargan and even banned revolutionary organizations from interfering with government affairs.

The premier's key revolutionary supporter, Ayatollah Mahmoud Taleghani, died a week ago. As president of the powerful revolutionary council, Ayatollah Taleghani was known to have blunted previous attacks on Mr. Bazargan.

Mr. Bazargan responded today to the clergy's attacks with an implicit charge that the clergy-dominated experts assembly revised Iran's new constitution despite previous agreement on a final draft.

The 73-member assembly, which is examining the constitution before its final ratification by a referendum (Continued on Page 2, Col. 5)

IMF's Gloomy Outlook for Economy of World er Nations Seen Powerless to Slow U.S. Recession

John T. Norman

WASHINGTON, Sept. 16 (AP) — The International Monetary Fund said today that the United States is heading into an economic recession but that other industrial nations offset this through expansion.

F presented this gloomy report for the remainder of 1979 in its annual report. The report said that various developments during 1979, clearly a period of "severe" world economic growth, had led to a "severe" recession in the industrial countries.

The IMF report said that the "generally depressive" effects of oil price increases at the end of last year and the U.S. economic recession raise a number of important policy issues for the industrial nations.

"In the first place," the IMF said, "a U.S. recession (whatever its duration and severity) couldn't be offset in the other industrial countries; in general, their economies aren't buoyant and because of either the fact or the threat of inflation, they wouldn't be in a position to adopt significantly more expansionary policies in an endeavor to compensate for a recessionary development in the U.S., although they could be expected to maintain their growth rates as much as possible."

The IMF stressed the need for the United States and other industrial nations to coordinate their actions regarding foreign exchange market interventions and "at least to some extent" their decisions on monetary policies, since exchange rates for major currencies are likely to be subject to varying influences in a setting of weaker demand conditions, coupled with higher oil prices and continuing inflation.

"In this context," the IMF continued, "the industrial countries could make a particularly important contribution by coordinating their growth objectives and policies over the medium-term. Such a process could serve to bolster economic growth, to safeguard the recent improvement in the distribution of current-account balances and thus to promote the maintenance of orderly exchange markets for major currencies."

Turning to the developing nations, the IMF suggested that slowing world economic growth rates will hurt a large group of non-oil-producing countries. The IMF said there is major concern about the poorest of the developing nations. To assist these countries, the IMF urged industrial nations with strong current-account situations to "take all feasible steps" as capital exporters to help the poor countries.

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Life a Daily Struggle for Postwar Beirut

By Doyle McManus

BEIRUT, Sept. 16 — A long line of oiled brown bodies, covered only symbolically by black string bikinis, shines in the Mediterranean sun. Waiters in red jackets ferry trays of champagne, iced wine and Perrier water to lounge chairs by the pool. Beyond the clear blue waters of the bay lap gently at the yacht harbor, disturbed only by the wake of an incoming motorboat.

There is a quick burst of automatic rifle fire, only a block or two away. The sunbathers do not look up; they are used to gunfire. After all, this is Lebanon. Where else would the beautiful people spend their afternoons in front of a blackened, burned-out hulk — the St. Georges Hotel in the ruins of central Beirut?

Almost three years after the 1975-76 civil war ended, Lebanon is still in the no man's land between war and peace. The tiny country remains split into Moslem and Christian zones. Criminals of every description roam the streets, happy in the knowledge that they are better armed than the national police. The government, far from tackling any of the nation's basic problems, is struggling just to keep electricity going 24 hours a day.

The optimism of 1977, when many Lebanese thought Arab money would flow back into postwar Beirut, is gone.

"It's not getting any better," complained Leda Saraderian, a statistician who works for a United Nations agency here. "We used to call the civil war the two-year war. Now we call it the five-year war."

It is not only the political impasse, the Lebanese say, or the fact that the economic revival they expected never quite took off.

There is still, amazingly, big money in Beirut. Mercedes sponsors from Saudi Arabia and Cadillacs with New York and New Jersey plates cruise the shopping districts, while hundreds of sunbathers throng the St. Georges and other elegant beach clubs every summer afternoon. Chic boutiques still display Paris clothes, at Paris prices. The seaside restaurants are crowded, and food is plentiful.

But for all that, many Lebanese say, the quality of life is even worse than it was at the end of the civil war.

Beirut's telephone system, once the best in the Arab world, now works only about half the time — and then, not very well. A caller often waits 10 minutes merely to get a dial tone, and then he may get no connection. Many phone lines are disconnected by repairmen who then insist on a decent tip from the customer in exchange for fixing the line.

Decline in Services

The national electricity grid can no longer produce its prewar output, and every district has its power cut for 12 hours each week. The water system often fails as well.

Other public services, such as garbage collection, have declined or disappeared. Beirut's Hauser Street, once the most elegant shopping district in the Middle East, is awash in piles of rotting refuse.

Refugees from the on-and-off fighting on the southern border with Israel have streamed into Beirut, occupying almost every house and apartment they could break into. The squatters, most of them peasants unused to city ways, often clash with their rent-paying neighbors. And their advent has aggravated an existing housing shortage, pushing the rent for a two-bedroom apartment as high as \$850 a month.

Beirut's criminals have gotten bolder and the police, never too effective, understandably refuse to challenge miscreants who carry grenades and machine guns. Last week, the wife of Deputy Premier Nazem Kadri walked out of a shop to find that her car — with official government plates — had been stolen. The car was found not by the police, but by the private militia of the rightist Falangist Party.

Political Police

In most neighborhoods, it is the local political party, not the police, which provides what law and order exist. Most of the parties finance themselves by extorting contributions from residents and merchants. One, the leftist Popular Social Party, has opened a sidewalk liquor stand in the West Beirut area it controls — "and I make a point of buying something from them once a week," a neighbor said.

In other parts of the country, it is the Syrian army that rules. Only a few areas are effectively under the control of the Lebanese army or the national police. As a result, ordinary citizens pay about as much attention to the government as they do to Beirut's deranged traffic lights that randomly blink red, yellow, green and sometimes all three.

The rule of the party gunmen, many of them boys of 12 or 13, also makes it difficult for the government of president Elias Sarkis, a moderate Christian, to reconcile the country's religious groups. Moslems and Christians no longer shoot at each other across the downtown "green line," but the west side of the city is still controlled by Moslems, and the east side by Christians. Some Beirutis commute from homes on one side of the line to jobs on the other — but few dare make the same crossing at night.

De Facto Partition

The Christian political parties, instead of fighting the de facto partition of the country, sometimes appear to be working for it. Two weeks ago, when the officially nonsectarian army published its officer promotion list, almost every Christian political leader in the country protested that the promotions were unbalanced — that is, they did not include enough Christians. Moslem politicians quickly retaliated by making the same complaint. The promotions were unbalanced — in the opposite direction.

In fact, a source close to Premier Salim al-Hoss said that the list was about as balanced as the army could make it. The protests, he said, were merely Moslem-Christian politics as usual.

"They hold a civil war, they kill thousands of people, and they learn absolutely nothing from it," mourned Mogharn Trani, a well-heeled art dealer, as he sipped a gin and tonic by the Lebanon Golf Club's swimming pool. "I think my country is hopeless. I really do."

© Los Angeles Times

30 Deaths in Rhodesia War

SALISBURY, Sept. 16 (UPI) — The military command yesterday reported 30 war deaths and charged that Mozambican troops entered Zimbabwe Rhodesia on looting sprees.

A communique said government troops have killed nine black nationalist guerrillas and 12 guerrilla collaborators in clashes in which three black civilian bystanders were also killed.

Trudeau Goes to China

VANCOUVER, B. C., Sept. 16 (Reuters) — Canadian opposition leader Pierre Elliott Trudeau left today for Peking on a 10-day trip to China that will include a visit to Tibet, aides said.

News Analysis

Mideast Negotiations Enter Time of Relative Harmony

By Bernard Gwertzman

WASHINGTON, Sept. 16 (NYT) — On the anniversary of the Camp David accords, the United States, Israel and Egypt find themselves in relative harmony, after several weeks of intense friction caused by U.S. efforts to lure the Palestinians into negotiations at an early stage.

Negotiations on "full autonomy" for Palestinians in the West Bank and Gaza Strip stem from the Camp David agreements, signed a year ago today. So far, the negotiations have been confined to representatives of the United States, Israel and Egypt and have made little or no progress.

But instead of reaching for a new breakthrough on the Palestinian question, a goal it pursued with some vigor earlier in the summer,

the Carter administration has resigned itself to low-key, drawn-out negotiations that may extend well into next year without any participation by Palestinians.

As a result of the Camp David accords, Egypt and Israel eventually signed a peace treaty March 26 and its terms are now being carried out. The countries are also involved in a more complex problem of deciding the fate of Palestinians in Israeli-occupied lands.

The White House is considering issuing a statement marking today's anniversary, and Zbigniew Brzezinski, the national security adviser, plans to give a speech in New York tomorrow marking the date.

Although U.S. relations with Israel, and to a lesser degree with Egypt, have been strained in the last

two months, officials from the three countries have said recently that tensions had been sharply reduced.

This has been largely the result of the administration's decision, on the advice of its chief Middle East negotiator, Robert Strauss, to stop pressing the issue of Palestinian participation in the talks.

The mood also has become more relaxed because President Anwar Sadat of Egypt and Prime Minister Menachem Begin of Israel, who were at Camp David with U.S. President Carter a year ago, seem to have established a close working relationship that was lacking some months ago.

Mr. Strauss, who returned Thursday from his most recent trip to Egypt and Israel, assured Mr. Sadat and Mr. Begin that the Carter ad-

ministration would not try to introduce the most controversial issues, such as Palestinian participation, into the negotiations now.

Rather, the United States will cooperate with Egyptians and Israelis in working groups to achieve agreements on "easy" technical issues involved in creating the rules for elections and other aspects of Palestinian autonomy.

These assurances were welcomed, particularly in Israel, because for most of the summer the United States appeared concerned not so much with the actual autonomy negotiations but rather with finding ways of bringing Palestinians into the talks.

A U.S. representative, at a preliminary meeting, also angered the Israelis by seeming to side with the

Egyptians in asserting that the eventual Palestinian authority could have broader functions than just an administrative role.

As a result of these differences, the United States found itself accused by the Israelis and their U.S. supporters of reneging on the Camp David framework agreement, which Mr. Carter had helped bring about.

That charge nettled administration officials, who contend all their actions were consistent with the letter and spirit of Camp David. They contend the problem is that the Israelis preferred to move more slowly in the negotiations and that the possibility of U.S. talks with the Palestine Liberation Organization upset the Israelis more than officials had anticipated.

Administration officials assert that the emphasis on the Palestinian question was forced upon the United States by the UN Security Council's preoccupation with the issue.

The Arab states were pressing for a vote on Palestinian rights and the administration thought it could be turned into an opportunity for seeking PLO acceptance of Israel's right to exist. That, in turn, could facilitate a dialogue between the United States and the PLO, and its permission for Palestinian representatives to take part in the autonomy talks.

The Camp David accord provided for participation in the negotiations by local Palestinians and Jordanians. But in keeping with the Arab world's denunciation of the agreement, neither the PLO nor any significant Palestinian faction has agreed to take part. King Hussein, a long-time friend of the United States, said recently that there was "no way" Jordan would join the talks.

State Department officials said in July and August that unless Palestinians were persuaded to join the negotiations soon, they would never accept the "autonomy" worked out on their behalf. This would give the negotiations a hollow ring, and subject the United States to ridicule in the Arab world.

This, in turn, would lead to new oil pressures and a rise of terrorism. These concerns still exist in the State Department. But for several reasons, including refusal by the PLO to show any significant flexibility, the drive to engage the Palestinians in the talks has been suspended.

Miller Asks Firm to Redraft Aid Request

U.S. Rebuffs Chrysler Bid for \$1.2-Billion Support

By Helen Dewar

DETROIT, Sept. 16 (UPI) — The financially beleaguered Chrysler Corp. asked the government yesterday for \$1.2 billion in loan guarantees, and was immediately told by Treasury Secretary William Miller that the proposal was "way out of line."

After a 2½-hour meeting in Washington with top Chrysler executives, Mr. Miller said any government assistance "would have to be well below \$1 billion." He told the company to redraft its plan if it expects support from the Carter administration in Congress.

The administration, which earlier rejected an initial Chrysler bid for direct aid of at least \$1 billion in tax credits, has said it would consider supporting a move in Congress for \$500 million to \$700 million in loan guarantees.

In an inch-thick proposal for federal assistance issued by the company's headquarters here, Chrysler indicated it expects a net earnings loss of \$1 billion this year, considerably more than projected earlier, and a cash shortfall of up to \$2.1 billion through 1982.

\$1.2-Billion Gap

Through a variety of corporate economies already initiated, the company said it can raise about \$900 million, leaving a gap of \$1.2 billion. To fill the gap, it proposed an immediate \$500 million in loan guarantees, backed up by another \$700 million in "contingent" loan guarantees that would be used only if needed.

Chrysler said it "sees no means" of raising the \$500 million, but might be able to raise the \$700 mil-

lion "under the most favorable circumstances" — although it said it was not confident of its ability to do so.

Chrysler's disclosure that its losses this year could top \$1 billion in what one official called a "worst case scenario" portrayed a bleaker

immediate outlook than earlier projections, which envisioned losses of somewhat more than \$700 million. A one-year loss of \$1 billion would be a record for any company in the world, according to a Chrysler official.

But the company predicted that

2 East German Families Escape To West in Homemade Balloon

NAIJA, West Germany, Sept. 16 (UPI) — Two East German families jammed together on a tiny platform escaped to the West early today in a homemade hot air balloon whose glare illuminated the darkness.

West German border police said it was the first time a balloon had been used by refugees since the Berlin wall was built 18 years ago.

They said two couples with four children made a 30-minute, 46-kilometer (28-mile) flight over the mines and barbed wire on the eastern side of the border to a safe landing in the West German state of Bavaria.

One man was a 37-year-old aircraft mechanic and the other a 24-year-old bricklayer. "We are very, very happy to be in the West," the mechanic said. "We were fed up with conditions on the other side."

They landed near Nalja, about eight kilometers inside West Germany. "They were not sure they had crossed the border as they came down sooner than planned because their gas reserves ran out," a policeman said.

The balloon's flight was marked by burning gas after its takeoff at 2:40 a.m. near the town of Poesneck in the East German province of Thuringia. A Western policeman who saw the glare at about 3 a.m., 10 minutes before the balloon landed, said "I thought a house was on fire."

"It is amazing the balloon could remain airborne," police said. "Eight people and four gas containers were on a platform only 1.4 meters long and 1.4 meters wide (4.5 feet by 4.5 feet). The balloon was the size of a small tent."

The men said they built the balloon out of nylon, bed sheets and parts bought in different East German towns in order not to arouse suspicion.

Nalja Mayor Robert Strobel gave them money for their immediate needs and promised them homes if they settle in the town.

by 1985 annual net earnings would reach \$996 million, with Chrysler's share of auto sales on the domestic market rising from 10 to 12.4 percent by that year.

Chrysler said it has taken "drastic" steps to improve its financial health, including reducing fixed costs by \$1 billion annually, tapping available lines of credit, restructuring top management and pursuing a new products program requiring expenditure of \$13.6 billion through 1985 to meet federal requirements and expand its existing 10-percent share of domestic auto sales.

It said it is planning further sale of Chrysler interests abroad, a reduction of its basic car lines from five to three, and other streamlining measures.

The company projected that, with federal aid, it would be making money again by 1981, with net earnings of \$393 million that year as opposed to a projected loss of \$482 million next year. It said it envisions complete repayment of the guaranteed loans by the end of 1985.

Mr. Miller said that, on the basis of his discussions yesterday, he expects Chrysler to modify the \$1.2-billion aid plan, which he called "preliminary."

Congress Reluctant

However, Chrysler Chairman John Riccardo and President Lee Iacocca did not indicate publicly if or how the plan, which they had not labeled preliminary, might be modified. "It is a difficult period for all of us," said Mr. Riccardo. He called the meeting "fruitful," but added: "I really think we've done all that we can."

Britain Drops Plan to Sell Part of North Sea Fields

LONDON, Sept. 16 (AP) — The Conservative government, in a turnaround on a key economic issue, has abandoned a move to sell off a big slice of the state-owned British National Oil Corp.'s assets in the North Sea.

It had planned to raise an estimated £400 million (\$840 million) to cut its financial deficit this year from the sale of BNO's hefty stake in the offshore oil fields. But the move stirred strong opposition, with BNO's chief, the Labour Party bitterly against selling energy assets.

Energy Secretary David Howell announced Friday that the government now will seek the money by offering Britons BNO's shares linked to rising crude oil prices. He said the government wanted the public "to have the fullest opportunity to share the benefits of the nation's oil wealth."

He also said BNO will start negotiating advance sales for oil still under the North Sea in a bid to

trim the national deficit. The Financial Times reported that BNO was expected to raise at least £300 million (\$630 million) in the next six months this way.

Britain expects to be self-sufficient in oil production by the mid-1980s, with an estimated output of 2 million barrels a day. Mr. Howell gave no clear explanation for the reversal of policy. But political observers said Prime Minister Margaret Thatcher's advisers warned that voters would not support selling off vital national assets, probably to oil companies.

The liberal Guardian reported the Conservative had indicated that "it is clear that the right wing of Mrs. Thatcher's Cabinet has suffered a significant defeat at the hands of the Tory traditionalists. Pragmatism, the old established Tory characteristic, has triumphed."

However, Mr. Howell is expected to continue the Conservative program of whittling down the state corporation's wide powers in North Sea operations and sales. Last month he announced that BNO would no longer automatically get a 51-percent stake in new North Sea fields and would lose its say in how fields are run.

Bazargan Criticized

(Continued from Page 1) dum in late autumn, added a new article to the draft last Wednesday giving vast executive and legislative authority to the clergy.

Article five of the constitution was not mentioned in the original draft presented to the public in June.

Mr. Bazargan said the constitution was approved in its original form by Ayatollah Khomeini, the government and the revolutionary council, before it went to the assembly. While it was being framed, he said, there had been no dispute on its contents.

Mr. Bazargan said last week that Ayatollah Taleghani had been concerned over the assembly proceedings. The Eshelat newspaper then said Ayatollah Taleghani had opposed article five.

But legal experts said the addition of article five left unclear the future position of Iran's president, whether the post would combine the religious and political authorities or if it would be superseded by an even higher religious authority. Ayatollah Khomeini has been asked to become president but has not responded.

PLO Delegation in Iran

TEHRAN, Sept. 16 (Reuters) — Ayatollah Khomeini yesterday received a high-ranking Palestinian delegation amid signs of increasing Iranian involvement in the Arab world.

The four-man Palestine Liberation Organization delegation was the most senior to visit Iran since PLO leader Yasser Arafat came immediately after February's revolution. The four were reported to have gone to Qom to see Ayatollah Khomeini to express the PLO's condolences over the death of Ayatollah Taleghani.

While the Belgrade conference is expected to approve in principle the creation of such an account, details are not expected to be resolved before next spring, at the earliest.

Deutsche marks, Swiss francs and yen are currently the most likely candidates to replace dollars in official foreign-exchange reserves, but the central banks of West Germany, Switzerland and Japan are reluctant to see their monies become reserve currencies. At the same time, some solution has to be found for the central banks not wanting to hold dollars.

Economics Conference

(Continued from Page 1) and the pace of economic expansion will be slowing modestly.

The sharp rise in gold prices this year reportedly was cited by those meeting here as an indication of a worldwide malaise, a sign of unrest that risks "roaching off" agitation in other financial markets. While there is no intention to attempt any measures to deal directly with the fevered gold market, the situation has provoked a greater sense of urgency to create a substitution account.

Major questions — how big the substitution account should be, what interest should be paid on the special drawing rights to be issued in exchange for surplus dollars and who should shoulder the exchange risk — remain to be solved. But with the dollar losing status as a reserve currency, there is widespread agreement that systems need to be put in place — and quickly — to assure that the shift is done in an orderly way.

White House aides said the administration was not expected to run competitively except while at the Naval Academy, where he won a cross-country letter as a plebe. In a recent interview, he called jogging "one of the high points of my day." He said he tried to run each afternoon, varying the distance from 3 to 7 miles.

"I start looking forward to it almost from the minute I get up," he added. "If I don't run, I don't feel exactly right. I carry a watch, and I can check off a mile in six and a half minutes when I really turn it on."

Mr. Carter has been jogging for about a year, one of more than 25 million Americans who have taken up the sport in the last decade. He normally runs around the drive behind the White House but on weekends takes to the roads near Camp David, including the road used in yesterday's race.



El Salvador protesters draw guns and seek the origin of shooting which left 3 dead and wounded during demonstration Friday. Soldiers fired on thousands of marchers in the capital.

El Salvador Cancels Independence Festival

SAN SALVADOR, Sept. 16 (UPI) — The government canceled independence day celebrations yesterday as protesters prepared a three-mile funeral procession for two teachers allegedly killed by Salvadoran soldiers.

The government of President Carlos Humberto Romero called off festivities marking El Salvador's 158th national anniversary at the last minute, apparently fearing new disorder after a shooting Friday.

Mr. Romero and members of congress had been scheduled to speak at the Plaza de la Libertad, near where National Guardsmen and plainclothes policemen opened fire on the demonstration.

The Red Cross reported three persons were killed and 21 wounded.

An ABC-TV cameraman whose wife was among those wounded said a video tape showed police opened fire on the demonstrators from a hospital parking lot as the march moved toward the plaza.

Marchers replied by firing pistols and throwing at least two homemade bombs at the troops.

The anti-government Popular

Revolutionary Bloc at first had planned the funeral demonstration for Manuel de Jesus Maravilla, 21, killed Friday. But Mr. Maravilla's family claimed the body and took it for burial to Santa Elena, a village near San Salvador.

The BPR later said it would stage the funeral procession for two teachers allegedly killed by government troops in San Salvador Thursday. A high school student also was reported killed in this incident.

San Salvador's municipal

vice was shut down yesterday as bus owners decided to service until the trouble in Friday, demonstrators set fire to buses.

Business in San Salvador usually nonexistent yesterday kepters had steel curtains drawn in front of their stores. The streets were littered with glass and garbage. Roads to capital were crowded with tr

Socialists Gain

Close Election in Sweden Shown by Early Return

STOCKHOLM, Sept. 16 (AP) — A strong conservative upsurge was offset by heavy center party losses in a close race in Sweden's general election today giving Olof Palme's Social Democrats a chance to regain the government power lost in 1976.

With returns in from 593 of 878 districts, a specially selected for computer projection among the 6,197 in the country showed the conservative Moderate Alliance Party as the largest of the three non-socialist parties.

The Moderate conservatives, according to the projected outcome, would get 20.1 percent of the vote — up 4.5 percent compared with the 1976 election.

The Center Party under Thorbjörn Fälldin however suffered heavy losses, down 5.8 percent to 18.3. The party stands to lose about one-fourth of its support from the last election.

Liberals Unchanged

The currently governing liberal People's Party of Premier Ola Ullsten remained at 10.8 percent, down 0.3 percent.

Mr. Palme's Social Democrats made small gains, standing at 43.7 percent — up 1 percent — while the Communist party went forward by 0.8 percent to 5.6.

The race was still an unsettled finish between the two "blobs" with the Socialists having a narrow margin.

Carter Quits Race Tired

(Continued from Page 1)

there was no reason for concern about Mr. Carter's health. "He's in good physical condition," the doctor said.

Mr. Carter was one of 980 runners in the race, which was over steep hills in Catskill Mountains National Park. He was accompanied by Dr. Lukash and a small cluster of aides and Secret Service agents, some on foot, others in vehicles.

The president was running up a hill, near the 4-mile mark, when he dropped out. Dr. Lukash advised him to quit after noting that he was pale, wobbling and moaning.

Mr. Carter protested but then took his physician's advice. Secret Service agents helped him to the side of the road and into a car for the ride back to Camp David.

"It looked like he just pooped out," Dr. Alan Golden, a runner who was nearby, recalled. "We had been running along at a good clip, about eight minutes to the mile, mostly downhill. Then we started up this steep hill and he began to wobble and moan a little. He looked ashen."

Mr. Carter has been jogging for about a year, one of more than 25 million Americans who have taken up the sport in the last decade. He normally runs around the drive behind the White House but on weekends takes to the roads near Camp David, including the road used in yesterday's race.

White House aides said he had not previously run competitively except while at the Naval Academy, where he won a cross-country letter as a plebe. In a recent interview, he called jogging "one of the high points of my day." He said he tried to run each afternoon, varying the distance from 3 to 7 miles.

"I start looking forward to it almost from the minute I get up," he added. "If I don't run, I don't feel exactly right. I carry a watch, and I can check off a mile in six and a half minutes when I really turn it on."

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Strike Action

Auto Workers Reach Deal With General Motors

DETROIT, Sept. 16 (NYT) — A tentative agreement reached in a new three-year contract between the United Automobile Workers and General Motors was hailed yesterday by the government.

Alfred Kahn, director of President Carter's Wage and Price Stabilization, said he had "no idea" what the tentative agreement and its impact on the economy would be. He said the agreement was "good for the economy in the long run."

The U.S. automobile industry's largest company, General Motors, is scheduled to begin negotiations with the union on a new contract, and the pattern set by the contract is expected to be followed by the other two major manufacturers.

General Motors' agreement, which covers more than 27,000 workers, is expected to be the pattern set by the other two major manufacturers.

The agreement was announced by the negotiators and that night's expiration of the current contract, by not reaching agreement, it was set to strike and shut down GM's key automobile manufacturing plants across the nation and company withheld in major points in the tentative, hindering efforts to reach the value of the entire and how it compares with the industry's voluntary wage guidelines. Negotiators' guidelines were never up in the bargaining.

Main Features

of the major features of the deal:

- Increase in pension pay-off: An example is a worker with 30 years of service now at \$800 a month will receive \$1,000 a month.

Oil Shortage Report Issued by News Agency

WASHINGTON, Sept. 16 (NYT) — The New York Times News Service published Friday (NYT, 16) a report by the Federal Reserve Bank of New York that U.S. oil companies are likely to cut domestic production of oil last fall and winter, contributing to the oil shortage.

The report said that an "unusually large" drop in domestic oil production is expected to occur in October to January that will contribute to the petroleum shortage after the cutoff in supplies in late December.

The report, however, did not say that the oil companies had cut domestic production.

HEW Secretary Accuses Chicago Of School Bias

WASHINGTON, Sept. 16 (WP) — Secretary of Health, Education and Welfare Patricia Harris accused the city of Chicago yesterday of 40 years of deliberate segregation and rebuffed its request for millions of dollars in emergency school aid.

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White House Press Secretary Jody Powell, left, greets Sen. Edward Kennedy last Thursday evening during a chance encounter at a reception in Washington while Mrs. Powell looks on.

News Analysis

Presidential Kennedy Moderates Image

By Steven Rattner

WASHINGTON, Sept. 16 (NYT) — To most Americans, the familiar Edward Kennedy is the senatorial liberal who has remained true to the credo that ever bigger government is ever better, even while liberals around him are abandoning the territory.

Last week, a presidential Kennedy appeared, and during a brief foray into broad economic issues, offered a more an earnest philosophy dwelling on free enterprise, the limitations of government and inflation. Sen. Kennedy who has waged wars for tax reform for working families now stressed that, when a tax cut became necessary, it should first include breaks for business to spur investment.

But the distinction should not be overdrawn. The contradictions between the two Kennedys were few, representing for the most part more a change in emphasis than a shift. Perhaps more important, his latest remarks, in an interview, helped flesh out his economic views, which on the broader issues of unemployment and inflation had been largely unspoken.

Wage, Price Controls

Being a senator requires positions on many individual matters; the larger picture is usually subordinate. Now Sen. Kennedy's economic must match presidential vistas. He has staked out his territory carefully, positioning himself more toward the middle of the road and indeed suggesting that he does not differ substantially with President Carter's economic policies. "I believe we're facing difficult economic problems today to which there are no magic or easy solutions," he said.

Like Mr. Carter, Sen. Kennedy is opposed to mandatory wage and price controls. He also believes in voluntary guidelines and agrees that Mr. Carter's program is as well constructed as any. But, he says, "Perhaps there's been some confusion" over who in the administration is running them. "I've seen them work before in the 1960s," he said, alluding to his brother John's presidency.

In setting on the intangibles of managing the economy as his theme, Sen. Kennedy appears to be recognizing what many economists have been saying — that the present economic difficulties are in large part induced by outside forces, such as the oil price increases, and that within the present political constraints, few alternatives to Mr. Carter's policies are apparent.

At the same time, Sen. Kennedy's and Mr. Carter's economic circles are not totally overlapping. Sen. Kennedy leaves the impression that he would not take the threat of inflation so seriously as to pursue policies that risk stagnation and unemployment. He supports the expected 1980 budget deficit of about \$30 billion, but leaves open further reductions. He warns that "we're reaching the point of being close to the limit" on raising interest rates, but does not object to the recent sharp jump.

Liberal Record

In recent years, Sen. Kennedy has focused on the domestic economy in a predominantly liberal manner. There is his voting record — a five-year average of 98 from the liberal Americans for Democratic Action and a 1 from the American Conservative Association. There is as well his rousing speech at the Democratic mid-term convention last December. "There could be few more divisive issues," he said in an oblique reference to Mr. Carter, "than a Democratic policy of drastic slashes in the federal budget at the expense of the elderly, the poor, the black, the sick, the cities and the unemployed."

He has stayed within this theme in his recent legislative efforts. On energy, he recently unveiled a \$58 billion plan focusing on grants to homeowners and loans to business for conservation. That served as dramatic counterpoint to Mr. Carter's far more costly synthetic fuels program, which Sen. Kennedy feels should be scaled down.

uses private insurance companies but brings the government into almost every aspect of the health business. National health may be one of the few areas where the public mood is sympathetic to more government involvement. In others, such as antitrust, Sen. Kennedy has met continued resistance to legislation to prevent large corporate mergers and to allow consumers more freedom in suing suppliers.

Sen. Kennedy and Mr. Carter share common ground on a number of specific issues. But even on some of these, the senator has put greater stress and effort on the liberal. And he has often been more successful in support of the administration's liberal positions than the administration. On taxes, for instance, while he has lost many skirmishes in the conservative Senate, he has also won a few.

Tax Debate

During the tax cut debate a year ago, he engineered an amendment to increase the tax cut for lower-income Americans. By raising the size of the total tax cut, that strategy cleverly precluded addition of new loopholes, which have been the focus of Kennedy tax reform efforts for five years.

In some areas, Sen. Kennedy's

philosophy and the temper of the times mesh nicely, such as in the deregulation movement. With administration support, he helped push through an airline deregulation bill and is now working to deregulate trucking. He also has a regulatory reform bill — backed by the administration — that is aimed mostly at improving competition.

"I'm a strong believer in the forces of competition and the least intrusive means of government," he said last week, while arguing strongly against diluting the protection of the environment and worker safety.

Economists who advise Sen. Kennedy believe that his occasionally all-out liberalism reflects more the partisan nature of the Senate than the policy of a Kennedy presidency. They believe that as president he would move more toward the center and they cite as evidence the increasing moderation in his views as he has moved closer to a presidential race.

"He's a pretty pragmatic guy," said one such economist. "He would make his peace with business and the financial community. I don't think he would make any critical mistakes in policy like overstimulating the economy. I don't sense any strong ideological commitment to the left wing — he's really no more left than Jack was."

In Senate Ethics Panel Resolution

Talmadge Conduct Found Reprehensible

By Edward T. Pound

WASHINGTON, Sept. 16 (NYT) — The Senate Select Committee on Ethics, after a 16-month inquiry, has recommended that Sen. Herman Talmadge, D-Ga., be denounced by the Senate for engaging in financial misconduct.

In a unanimous vote Friday, the six-member panel said it had concluded that Sen. Talmadge's conduct was "reprehensible and tends to bring the Senate into dishonor and disrepute." The committee's disciplinary resolution will now go before the Senate, which must decide whether to accept the recommendation.

The committee said in a statement accompanying the resolution that its investigation may have turned up violations of the law. Accordingly, the panel said, it was turning over its files to the Department of Justice, which has been conducting a separate criminal investigation of Sen. Talmadge's office and campaign finances.

The committee rejected a bid to recommend censure, historically a damaging political rebuke, by a vote of 5 to 1.

As a result, Sen. Talmadge said, "I feel my position has been borne out. There is no finding of intentional wrongdoing." The 65-year-old senator, who is chairman of the Agriculture Committee and an influential member of the Senate, added, "In sum, I feel the result is a personal victory."

But one committee member, Sen. Mark Hatfield, R-Ore., argued that the words chosen by the committee in rebuking Sen. Talmadge were "more harsh" than the word censure. Sen. Hatfield and other members of the committee, including its

chairman, Sen. Adlai Stevenson 3d, D-Ill., indicated that a unanimous vote was essential to avoid an acrimonious floor fight in the Senate.

Sen. Talmadge did not indicate whether he intended to contest the committee resolution on the floor. He said he was reserving judgement until he had an opportunity to read the panel's final report, which is expected to be submitted to the Senate by the end of the month.

The committee had lodged five misconduct charges against the senator and had held hearings early this summer. Members said Friday that they had dismissed as unsubstantiated one charge that Sen. Talmadge incorrectly reported taxes on gifts he made to his former wife.

U.S. Unit Delays Revision Of Wage-Price Standards

By Edward Cowan

WASHINGTON, Sept. 16 (NYT) — The Carter administration announced yesterday that it would delay revision of its voluntary pay and price standards for a maximum of 15 days in a further effort to win the support of organized labor for its anti-inflation program. Labor has been seeking a larger voice in how the guidelines are to be changed.

An announcement by the Council of Wage and Price Stability also indicated that "in the interim" the agency would loosen its 7-percent pay standard for nonunion employees "to remedy the inequities" that the council staff now believes these workers have experienced. Nonunion workers make up 78 percent of the work force.

The decision to delay publication of the revised standards, which were to have been issued Friday, was made by President Carter Friday night on the recommendation of a majority of his economic policy group. The revisions would have slightly modified the 7-percent pay standard and tightened the price guidelines.

The announcement said, "Publication of second-year voluntary price and pay standards will be made no later than Sept. 30, 1979." That appeared to set a deadline for Lane Kirkland, secretary-treasurer of the AFL-CIO, who has been negotiating intermittently with the administration since June over the powers of a proposed tripartite pay committee.

'Controlling' Role

The AFL-CIO has said that such a group of labor, business and public members should play a "controlling" role in revising and interpreting the pay standard and reviewing applications for exceptions. The administration is unwilling to transfer so much power to a group that it contends should be advisory.

Conversations have been held also with officials of the United Automobile Workers and the International Brotherhood of Teamsters, but the most significant negotiating over the powers of a tripartite committee has been done by Mr. Kirkland and his associates.

Yesterday's announcement spoke of "the possibility of establishing advisory committees" of representatives of the private sector. That was a reference to two concepts: an advisory committee on the price standard, which few officials regard as necessary, and labor-management boards or working groups for major industries, such as construction and trucking.

Senate Passes Bill Supporting Farm Empires

WASHINGTON, Sept. 16 (WP) — The Senate rewrote federal reclamation law last week in such a way as to leave most of the huge agribusiness empires in the West intact, but the action, which fell far short of Carter administration proposals, is expected to face tenuous going in the House.

Prompted by a phalanx of lobbyists representing larger irrigators, the revision of the 1902 Reclamation Act would exempt at least 2.3 million acres of the world's lushest crop land from acreage limitations originally set to promote small farms.

Because the 160-acre limit set by the 1902 law was only irregularly enforced, farms of immense size were created, and water subsidies have gone to landholders that include railroads, oil companies, gaming companies and multinational corporations.

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Macapagal Accuses U.S. Of 'Coddling Dictatorship'

Ex-President of Philippines Blames Carter for Marcos

By Henry Kamm

MANILA, Sept. 16 (NYT) — The former president of the Philippines, Diosdado Macapagal, accused the Carter administration yesterday of "coddling dictatorship against the people" by its support of President Ferdinand Marcos, who has ruled by martial law for nearly seven years.

"We expected that if the human-rights plan of Mr. Carter was to

have any authentic meaning at all it should have been attempted here to rescue Philippine democracy," Mr. Macapagal said.

The conservative, pro-American leader, whom Mr. Marcos succeeded as elected president in 1965, said Mr. Carter could have used American leverage with Mr. Marcos to persuade him to hold a free election because "Marcos is now totally dependent on the United States."

Mr. Macapagal said President

Carter's leverage should have consisted of delaying conclusion of negotiations on a new arrangement for the two large U.S. military bases in the Philippines, under which this country receives substantial military assistance, until Mr. Marcos had yielded to a demand for election.

"I feel he would have succumbed because he would be helpless without the United States now," the former president said. However, Mr. Macapagal refused to say whether

the Carter administration should have gone as far as to cut off military aid if Mr. Marcos had remained firm. He said this would not have happened because if the army and the people had learned that Mr. Marcos had defied the United States his regime would have been toppled.

A new agreement, recognizing Philippine sovereignty over the bases and providing \$500 million in economic and military aid over five years, was signed in December. However, Mr. Macapagal said that even now U.S. leverage could and should be brought to bear on Mr. Marcos to end martial law.

Mr. Macapagal, who expressed no opposition to martial law for its first three years, has recently become one of the most vocal opponents of Mr. Marcos and consequently a target of government counterattacks.

A booklet against martial law, which he originally published in the United States and Canada in English, was seized recently at the printer's here before its distribution in the national language. Tagalog. The former president was summoned to appear earlier last week before a military inquiry panel on charges of inciting to sedition and rumor-mongering.

The hearing was postponed, and at a news conference Friday Mr. Marcos indicated that the case would not be pursued.

Mr. Macapagal's increasingly open opposition to the Marcos government is compared by observers here to the equally outspoken criticism by Cardinal Jaime Sin, the leader of the Catholic Church in this country. Both had been far more reticent in their criticism until recently. Observers see in this development the effect of mounting polarization in political life provoked by the extended monopoly of power held by Mr. Marcos.

Indonesia Quake Leaves 11 Dead

JAKARTA, Indonesia, Sept. 16 (Reuters) — Eleven persons are known to be dead and almost 15,000 persons homeless on Irian Jaya (formerly Dutch New Guinea) following Wednesday's severe earthquake and tidal wave, Indonesian officials said yesterday.

The officials in the provincial capital of Jayapura said both figures would probably rise as remote areas were contacted in the wake of the world's strongest tremor in nearly two years.

Six villages were destroyed by the tidal wave caused by the undersea earthquake, while in other parts of Irian more than 50 per cent of all buildings collapsed or were swept away.

Faces Arrest for Statements

Seoul Opponent Urges U.S. Policy Shift

By Henry Scott-Stokes

SEOUL, Sept. 16 (NYT) — Believed to be on the verge of arrest because of his outspoken opposition to the South Korean government, the leader of the parliamentary opposition here has called upon the Carter administration to end support for the "minority dictatorial regime" of President Park Chung Hee.

"The time has come for the United States to make a clear choice between a basically dictatorial regime, increasingly alienated from the people, and the majority who aspire to democracy," said Kim Young Sam, the opposition leader, in an interview at his home last week.

A court decision on Sept. 7 deprived the 52-year-old politician of most of his functions as head of the opposition New Democratic Party, and the government followed that up with an order that citizens avoid criticism of the judiciary and beware of dissidents seeking to organize workers and farmers.

High officials here suggested Thursday that the government is considering arresting Mr. Kim. "He's asking for it," said Park Joon Kyu, acting head of the governing Democratic Republican Party, when he was questioned about the possibility.

But despite the threat of arrest, Mr. Kim continues to speak out.

Boost to Prestige

"Carter gave a big present to Park by coming here," the opposition leader said through an interpreter, referring to a two-day visit here by Mr. Carter to President Park in June. "He gave Park the courage to wipe out the opposition by boosting his prestige here."

"We asked him not to come, precisely because it could encourage Park to strengthen oppression, and all this came true," he said. "When I think about the trip, I cannot suppress my anger."

Mr. Kim cited a police assault on the headquarters of his party in

Seoul on Aug. 11, the lawsuit brought against him on Aug. 13 to oust him from the party leadership and the threats to silence him by putting him in prison.

"Arrest will not surprise me," Mr. Kim said. "The regime is on its last legs."

But a government official said: "If we were really in a weak position as Mr. Kim wishes to believe, then we would have arrested him already."

Political Crises

Government spokesmen seek to play down the seriousness of the political crisis here. "Our politics seem at the verge of breakdown every month," said Mr. Park, the powerful party leader. "But we manage somehow to come out all right. Looking back over the years since President Park came to power, this would not rank as one of the big crises."

The government appears to be in a dilemma. To arrest Mr. Kim could be self-defeating, as it might make him a public hero. But arrest would stop his repeated public attacks on the government. Hundreds of critics of the government have been sent to prison under laws that forbid criticism of President Park.

Mr. Kim also criticized the United States Embassy in Seoul. "Iran was America's supreme diplomatic disaster," Mr. Kim said, in a reference to the apparent failure of the U.S. Embassy in Tehran to warn the State Department of the weakness of the Shah's government last year. "I want the U.S. Embassy to avoid following the same track here."

"Whenever I tell American officials that only by public and direct pressure on Park can the U.S. bring him under control, they say that they cannot interfere in the domestic politics of South Korea," he said.

"This is a phony theory," he continued. "Doesn't the U.S. have 30,000 ground troops here to protect us? What is it if not interference in domestic affairs?"



American-Led Expedition Follows Hannibal's Elephants Across Alps

SUSA, Italy, Sept. 16 (AP) — Hundreds cheered an American-led expedition of hikers and two circus elephants today as they crossed an ancient triumphal arch in this Alpine town after retracing the march made 2,197 years ago by Hannibal, his army and 37 elephants.

The journey across the Alps had practically ended yesterday, when the two elephants plodded into the Clarea Valley at an altitude of 3,930 feet where the group camped during the night. Then the expedition proceeded for its final destination in this town of 7,000.

The elephants had descended into the valley along a sheer path from the 8,150-foot Clapier Pass on the Italian-French border. The expedition set out from the French village of Bramans on Wednesday.

The group was led by Jack Wheeler, 35, a former philosophy professor from Los Angeles, his fiancée, Jacqueline Vial-King, 35, Sam Oshim, 65, a Los Angeles businessman, who financed the enterprise, circus owner Dante Newman and his son, Ilario.

The enterprise was intended to re-enact the deed of Hannibal, the Carthaginian commander, who set out from Africa, traveled up the Iberian Peninsula and crossed the Alps with his elephants, 20,000 infantrymen and 6,000 cavalry, beginning a 15-year campaign up and down Italy in the Second Punic War.

Wallace Kirkland Sr., 88, Dies; One of 1st Photographers for Life

OAK PARK, Ill., Sept. 16 (AP) — Wallace Kirkland Sr., 88, one of the first staff photographers for Life magazine, died here Friday.

Born in Jamaica, Mr. Kirkland moved to Chicago in 1913 to attend George Williams College, receiving a degree in social work. He took a job at the Jane Addams settlement Hull House, where he became interested in photography.

Mr. Kirkland chronicled the activities of Hull House and the adjacent Greek community during the 1920s and early 1930s and opened a small photography studio on the Near North Side in 1935. Later, he joined the Life magazine staff, photographing most world leaders of the day.

Heinrich Tenzel

MUNSTER, West Germany, Sept. 16 (Reuters) — The Roman Catholic bishop of Munster, Heinrich Tenzel, 64, died of a heart attack today, a church spokesman said.

Kidnappers Free Son Of Builder In Italy

ROME, Sept. 16 (AP) — Kidnappers today released Guido Fredi, 13, who had been abducted by four men near Perugia, central Italy, on Aug. 19, police said. They said the parents paid a 500 million lire (\$613,158) ransom.

The boy, son of a Roman builder and estate owner, Roberto Fredi, was found by police at a parking site of the Highway of the Sun, near Rome. His hands were bound, his mouth taped and he was in fair condition.

2 French Planes Collide

HAZEBROUCK, France, Sept. 16 (Reuters) — At least seven persons died when two light planes collided and crashed near this northern French town today, police said. The planes were flying from a small airfield at Mordeque as one of the attractions at a local festival.



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USAF to Use Allies' Bases In Crisis Reinforcement

By Drew Middleton

RAMSTEIN, West Germany, Sept. 16 (NYT) — The U.S. Air Force in Europe has given high priority to a program that in war would enable reinforcements flying from the United States to use airfields of eight allies in the North Atlantic alliance.

The program, called "co-located operating bases," is part of an effort to increase readiness in Europe. The goal is to facilitate the handling of the more than 25 squadrons of fighters, fighter-bombers and reconnaissance aircraft that could be assigned to Europe in a crisis or a war.

Those aircraft, after flying the Atlantic, would be in a potentially dangerous situation because the principal regular bases in Western Europe would be crowded, with scores of planes on the ground vulnerable to Soviet air or long-range missile attack.

Gen. John Panly, commander of the U.S. Air Force, Europe, said there were 74 allied bases capable of accepting one U.S. squadron in addition to the one or two squadrons of the North Atlantic Treaty Organization now on them. The Air Force has opened negotiations for the use of 53 of them; 38 agreements have been signed and 15 more are under discussion.

Participating Nations

West Germany, Denmark, Norway, the Netherlands, Britain, Belgium and Italy are the European countries involved; Canada is also participating.

Under the program, the United States provides planes, pilots and maintenance crews for its squadrons on the bases. The host country contributes the runways, housing, food and security. The Americans also require communications from the base into the NATO command network, hardened shelters for aircraft and storage for fuel, oil, lubricants and extra fuel tanks.

Periodically, squadrons that would be assigned to Europe in war fly to the bases from the United States to operate with other U.S. and NATO squadrons. Ten such exercises were held last year.

Gen. Panly explained the program amid furious activity here at Ramstein, one of the main sources for aircraft deployed in the Air Force's part of this year's exercise. Thursday, 230 sorties were flown in 24 hours.

Like the ground forces, the Air Force has made progress in improving the readiness of its European command. Officers conceded, however, that many problems remained.

The airborne warning and command system known as AWACS has won the expected European support, despite recurrent expressions of interest at NATO defense ministers' meetings. Without the F-3A, the aircraft used, U.S. commanders believe, NATO's task of controlling air combat would be more difficult.

The Air Force has made a number of innovations that Gen. Panly believes will increase combat effectiveness. For one thing, the turnaround time for planes on the

ground has been cut by an average of two-thirds. One method is called hot-point refueling, in which a pilot taxis a short distance of runway and is refueled in four minutes. Another is that NATO's program of hardened shelters near completion, munitions parts can be stored in them, planes can run into them, and refueling while maintenance is tied up.

The command's aircraft have been modernized, but by no means completely or as quickly as officers hoped. They note the Soviet Air Force, always qualitatively superior, has introduced large numbers of advanced aircraft.

The USAF deploys three squadrons of F-15s, the high-performance fighters on which the United States counts. West Germany has four in the Netherlands. A three-squadron, of the new child Republic A-10s, designs close air-support roles, with particular emphasis on attacking tanks stationed in Britain. It will next year to bases closer to the potential battle area since the West Pact forces have three times many tanks as NATO.

In addition to anti-tank missiles the A-10 is armed with a 30-gallon capable of firing armor-piercing and high-explosive shells. Further, the command's McDonnell Douglas F-4 Phantoms received improved weapons, a of the General Dynamics F1 fighter-bombers are stationed at Lakenheath, England, and a of modified F-4s have increased electronic-warfare capabilities. In 1981, the Air Force in Europe expects to receive its first fighters. This, too, will increase its ability because the same plane is deployed by Denmark, No Belgium and the Netherlands.

Engineers Look For Big Ben's Missing Ding

LONDON, Sept. 16 (AP) — Engineers hurried to Big Ben yesterday when the clock tower's Westminster chime went wrong and lost its note. It struck ding-dong-ding instead of ding-dong-ding-ding. The strange sound was heard in the quarter-hour chime preceding the 11 a.m. signal.

"We don't know the explanation yet and observing the clock is going normally," said an official of the Department of Environment.

Big Ben was named after Benjamin Hall, commission works when the clock was in 1858. It was last stopped March, 1978, for maintenance. "Get well" cards poured in the clock in 1976 when its chime mechanism failed, damaged the machinery and the clock room.

Dissident Says 28 Convicted in Soviet Paddy Wagon

BRUSSELS, Sept. 16 (AP) — Jailed Soviet physicist Yuri Orlov said in a message published in part here yesterday that 28 Soviet prisoners died from suffocation on April 7 last year in a paddy wagon parked in a prison courtyard.

Mr. Orlov said the incident occurred at the prison in Kazan, 450 miles east of Moscow. He said he learned of it from another prisoner, whom he identified as V. Marchenko. The 28 prisoners were "jammed into a paddy wagon that was designed for a few people only," and were left in the steel vehicle "in the sun for more than an hour."

The prisoners had arrived by train en route to Kazan prison. "They begged to be let out" of the paddy wagon, Mr. Orlov quoted Mr. Marchenko as saying.

Mr. Orlov's message — a 20-page typewritten report smuggled out of the Soviet Union — deals with abuses in the Soviet penal system. In a first installment published in the Brussels daily La Libre Belgique on Friday, the imprisoned dissident estimated the Soviet prison population at 5 million. Yesterday's installment in the same paper described transport to and from jails and work camps as a "nightmare."

Hard Labor

Mr. Orlov, 53, was sentenced to seven years at hard labor May 18 for criticism of Soviet violations of the 1975 Helsinki human rights agreement. He is currently in a camp in Perm in the Ural Mountains.

Uranium Found In North Greece

ATHENS, Sept. 16 (AP) — Uranium deposits estimated at 1,000 tons have been discovered in northern Greece, the government said yesterday.

The uranium deposits were found near Serres, northeast of Salonika, and are sufficient to power a 700-800 megawatt nuclear reactor plant for 25 years. A 600-megawatt nuclear power plant, expected to go on stream in 1986, is in the planning stage.

A U.S. company, Embascon, has been contracted to do preliminary studies on where the nuclear power plant will be erected, the government said.

Three Robbed Find the Ideal Jewelry Store

HOUSTON, Sept. 16 (UP) — Three gunmen stole a \$250,000 worth of gems from jewelry store yesterday while shop's security camera was of film and the burglary was unplugged, authorities said.

Detective C.M. Leonard two men entered Klein's Jew Store and one of them grabbed customer, pointed a gun at head and ordered a second guard to drop his gun. "Be the guard gave up his gun stomped on the burglarly a [button in the floor], but not happened," Detective Leonard said. "Several of the employees tried to get off the alarm, but turned out it was unplugged."

A third gunman entered store with shopping bags, looted the display cases. Detective Leonard said investigator who later checked the store's security camera for photograph of the robbers found that there was no film in it.

He said the store manager watched the entire robbery in his office through a one-way mirror, but was afraid to call police.

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Regulatory Performance

Budget Office Criticizes
Other U.S. Bureaucracies

WASHINGTON, Sept. 16 (NYT) — An unusual act for a White House agency, the Office of Management and Budget yesterday criticized regulatory performance of a number of branches of the government.

The branch most strongly criticized was the Department of Energy, for alleged poor analysis of regulations and for cutting public participation in some regulations.

Criticism was contained in a report on compliance with the executive order in March, last, at officials supervise the regulations and called for public participation, better review of existing regulations and the use of plain writing regulations.

Of the goals you have set the executive order have issued more successfully," James McIntyre Jr., of the Office of Management and Budget, said. "The purpose of this report is not to demonstrate that we have finished a job, but how we have begun one."

"I have every expectation that President Carter will read this report," said John White, deputy director of the budget office. "He's obviously concerned."

In addition to the Energy Department, the report was also critical of the Departments of Justice, Interior, State, and Housing and Urban Development, and of the budget office itself.

"One of our enforcement tools is making criticism public because nobody likes to be criticized," said Wayne Grunquist, the associate budget director, under whose supervision the evaluation was prepared.

Mr. Grunquist also reiterated pledges to use budget examiners to help the management experts enforce the executive order.

The criticism has already had at least some effect on some agencies. According to a management official, the Department of Energy attempted to block release of the report.

In addition, a critical section on the Council of Wage and Price Stability drew an angry contention of error and failure to consult. And the budget office later produced an addendum to the report that backed down on part of its criticism of the council.

In general, the report tried to make its criticisms constructive, and in a number of cases it praised agencies that have been most successful in complying with the executive order, particularly the Department of Transportation and the Environmental Protection Agency.

"The Department of Transportation is a leader in carrying out the president's executive order," the report said, complimenting "the continuing commitment of senior level officials."

At most agencies, the least amount of progress has been made in improving the analysis of upcoming regulations. On major rules, the agency is expected to prepare a regulatory analysis "to search for the least expensive way of achieving the goal."

In addition, Mr. White said that "sunset review" of existing regulations to determine which can be dispensed with is "slower going than we had hoped because agencies obviously focus on what is current and what is current are new rules."

As for the requirement to make rules simpler to understand, Mr. White said "there are many people in this government who do not even write English, much less plain English."

—STEVEN RATNER

Sh Net Team
ner Defects

S.S. Airport

LOS ANGELES, Sept. 16 (AP) — The U.S. State Department has taken charge of a Polish basketball team for which it is a trainer, police said.

The team refused to comment, however. "It's a rather sensitive matter," FBI special agent Thomas said.

Los Angeles police Sgt. Cox said that Stanislaw 27, had requested asylum in Los Angeles airport officials. He is a physical therapist who arrived in Los Angeles City to catch a flight.

Denmark Accord

COPENHAGEN, Sept. 16 (AP) — China marked signed an agreement for technical cooperation Friday, the Chinese agency reported.



MODERN TIMES — A barefoot Amish chats on the telephone, her horse and cart beside the booth, in rural White Horse, Pa. Members of the sect, which shuns automobiles and electricity, do not allow telephones in their homes.

Data on Hydrogen Bomb Barred
From Second Newspaper in U.S.

SAN FRANCISCO, Sept. 16 (AP) — A U.S. judge yesterday barred a student-run newspaper in California from publishing portions of a letter the government contends includes secrets about the hydrogen bomb.

The author of the letter, Charles Hansen, who has said his hobby is collecting public documents about nuclear weapons, says he obtained all of the information from public documents.

U.S. District Judge Robert Schnacke ordered the Berkeley-based Daily Californian and two of its editors not to publish or give to anyone else material in the letter, which the government classified earlier in the week as "secret restricted data" under the Atomic Energy Act of 1954.

The temporary restraining order, which did not specify which portions of the letter are classified, also told the newspaper's editors to give the court within five days and in secret a list of all known copies of the letter and who received them.

The case is similar to one currently before a federal appeals court in Chicago and involving a Wisconsin-based magazine. The government there is seeking to prevent the Progressive magazine from publishing an article entitled "The Hydrogen Bomb Secret: How We Got It, Why We're Telling It."

On March 26, a federal district judge issued an injunction barring the publication of the article, which was to have appeared in the magazine's April issue.

Judge Schnacke said justice department lawyers appeared before him yesterday to obtain his signature on the order, arguing that the newspaper, which next publishes tomorrow, was planning to publish the letter.

Judge Schnacke said the order "suggests in strong terms that they [the newspaper editors] better wait before they do anything."

The judge set a hearing for Friday in his San Francisco court to hear arguments from the newspaper and the government on whether a preliminary injunction should be issued extending the publishing ban. The order expires Sept. 24.

Joshua Gosfield, the newspaper's managing editor, the newspaper would comply with the order while appealing.

The suit charged the letter, which was sent to a number of newspapers and individuals, contains "secret, restricted data," and that its publication could injure the United States.

Taunts Provoke Rock-Throwing
Secular, Orthodox Jews Clash Over Israeli Road

By David K. Shipler

JERUSALEM, Sept. 16 (NYT) — Hundreds of Orthodox and secular Jews confronted each other angrily for several hours yesterday afternoon with taunts and sporadic rock throwing across a stretch of road that the Orthodox have been trying for months to close on the Sabbath.

Separated by policemen and army units in riot gear, the two groups of demonstrators, one a crowd of black-coated and bearded Hasidim, the other a group of non-religious Jews in jeans, sport shirts and shorts, were also separated by an ideological gulf.

Religious tension has grown here, creating severe friction between the extremely religious, who frequently try to impose their Orthodoxy on the state, and the nonreligious, who are more numerous. The Orthodox have recently forced many street closings in Jerusalem, and last month won a relocation of a proposed sports stadium.

Some secular Jews in certain neighborhoods have organized to block the construction of Orthodox schools for fear the Orthodox will infiltrate the neighborhoods and impose their strict Sabbath observance on local inhabitants. There have even been armed confrontations in the press about religious zealots gaining key positions in the public school system.

Much of this conflict was acted out across the Ramot Road yesterday. On previous Saturdays, the Orthodox Jews, who live in seven-story apartment houses on a bluff above the road leading to a predominantly secular neighborhood called Ramot, in northwest Jerusalem, have showered passing automobiles with rocks to protest what they consider the sacrilege of using machinery on the Sabbath.

Counterstrike

On Saturday, residents of Ramot decided to strike back in their determination to keep the road open. About 500 of them, mostly young men, gathered on the two-lane highway.

Arguments began, police officers tried to negotiate a truce. A teenager in a white T-shirt, who said he and some friends from another area of the city had been asked by Ramot residents to come, got into a shouting match with an Orthodox man. "Now I understand why they killed six million Jews," the boy yelled. "Because of people like you!"

He then made an obscene gesture. Immediately, the victim of the verbal assault and the Hasidim around him ran up the slope, picked up rocks and started hurling them down at the Ramot demonstrators. The secular Jews returned the barrage, chasing the long-coated Hasidim up the embankment until helmeted policemen with long night-

sticks intervened, separating the groups.

For several hours, the highway and its opposing embankments looked like an international and hostile frontier. Hundreds of Orthodox men stood imposingly along a ridge above the road, shouting in a constant roar an admonishing "Shabbos! Shabbos!" (Sabbath) — each time an automobile drove slowly by. The Ramot residents, on the opposite bank, applauded and cheered each driver, and some of those behind the wheel leaned on their horns in defiance of the Orthodox.

"I don't care if someone's religious," said the teen-ager who started the melee. "But not the way they are — fanatics. I don't mind if someone is religious in the home, but not on the street. I don't think they have a place here. The only way is to answer them with violence, not like Teddy Kollek."

Mr. Kollek, mayor of Jerusalem, arrived inside a securely guarded police wagon. He has tried unsuccessfully to mediate the dispute, offering the Orthodox more closed streets on Saturdays and a new location for a proposed sports stadium in the hope that they would allow traffic to pass on the Ramot Road, one of two links between the Ramot quarter and the city proper.

The idea was to build this road to stop the growth of the Orthodox community," said Rabbi Moshe Hersch, who leads a sect opposed to the state of Israel on the ground that the Messiah has not yet come. "Zealousness," he explained, "is an act performed with fervor when one cannot control himself seeing God's order being desecrated."

"Our children are Jewish as much as theirs are Jewish," said Raziell Tavor, a representative of the secular Ramot residents. "We tried not to wage war. We wrote letters. We talked tenderly. At this time we think our war is not only Ramot's war. It is a struggle for democracy in this country. It has to be a beautiful life, not a bloody one."

Calls It 'Progressive'

Arafat Praises Spain for Mideast Stand

By James M. Markham

MADRID, Sept. 16 (NYT) — Ending a three-day visit to Madrid, Palestinian leader Yasser Arafat yesterday praised the "progressive" stand of the Spanish government on the Middle East, called U.S. ambassador to the United Nations Andrew Young "a good friend" and compared "the unjust and barbaric treatment" of American blacks with the travails of the Palestinians.

Mr. Arafat's stay here, a centerpiece in the Palestine Liberation Organization's concerted effort to win friends and sympathy in Western Europe, ended on an ambiguous diplomatic note.

Instead of a joint communique, the Spanish Foreign Ministry issued a statement which declared simply that Mr. Arafat and a PLO delegation had visited Madrid "in the context of its contacts with European leaders" and had met with Premier Adolfo Suarez and Foreign Minister Marcelino Oreja.

The Foreign Ministry note said that the Spaniards made clear to their guests "the will to continue maintaining and developing the special ties of friendship and cooperation that unite Spain with the Arab world, to the benefit of both peoples, and the support of the latter's just causes, expressing the conviction that the day of respect for the aged was held after the publication of official statistics showing that Japan has more than 10 million people older than 65, amounting to 8.9 per cent of the population."

Japan Observes
'Aged Day,' 9
Commit Suicide

TOKYO, Sept. 15 (Reuters) — Japan today observed "Respect for the Aged Day," and nine old people killed themselves.

Police said six elderly men, in several cities, with health or money worries committed suicide by hanging. A woman with suspected stomach cancer threw herself in front of a train in Kobe, a man with thrombosis jumped six stories from a building in Fukuoka, and a man was found drowned in the sea off Kanazawa, leaving a note that said: "Lost hope to live."

The day of respect for the aged was held after the publication of official statistics showing that Japan has more than 10 million people older than 65, amounting to 8.9 per cent of the population.

Arab Oil Producers
To Hold EEC Talks

LONDON, Sept. 16 (Reuters) — Gulf Arab oil producers are to hold talks on economic cooperation with the European Economic Community, probably in November, Kuwait Oil Minister Ali Khalifa al-Sabah said today.

Sheikh Ali, who has been representing the Arabs in contacts with the EEC, said the Gulf states were not likely to consider guaranteed oil supplies for the EEC. "But we will look sympathetically into their future oil requirements," he added.



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RENAULT

How the Race Is Run

A weakened America will be led for the next 14 months by an alarmingly weak president. Congress knows it. The Russians know it. The Israelis and Arabs know it. The oil companies and labor unions know it. Does Jimmy Carter understand that fact and know how to deal with it? The signs are not encouraging. Do his political rivals and the rest of us understand the predicament and the risks it carries? We wonder.

The latest Cuban fiasco illustrates the problem. Having finally evolved a measured relationship with Moscow, a president whose domestic flanks were secure could have waited for a better look at some disturbing blips on his radar screen. This president, fearing for his office and for the fate of the strategic arms limitation treaty, fired off a diplomatic challenge before he ever saw the whites of those Soviet soldiers' eyes. The result will be a further diminution of his stature, even if the Russians help to pull him out of the deep, and a further piling on by opportunists of both parties, as Sen. Henry Jackson, D-Wash., and Ronald Reagan have already proved.

The crisis of the U.S. economy provides an even more disturbing illustration. It was not caused by Jimmy Carter. Yet inflation, stagnation and the transfer of U.S. wealth to other nations have all accelerated during his tenure. As Sen. Edward Kennedy, D-Mass., has conceded and as the Republicans have shown, no one else has any better ideas for the near term. But the American public is plainly convinced that more resolute leadership, variously discerned in such figures as Edward Kennedy and John Connally, could sharply improve the prospects for the years ahead. Here, too, Mr. Carter's responses have been petty and enfeebling: Don't blame me for your loss of confidence, blame Vietnam, Watergate, the oil companies, the people's self-indulgence... without my tilting at robber barons, well, hamburgers and heating oil would cost even more.

When weakness drives a president toward impetuosity abroad and to evasion at home

he leaves a people vulnerable to demagoguery, including his own.

The strong way to play a weak hand is to face up to its weakness. A nation that has lost relative power to other nations (and not only the Soviet Union), lost its competitiveness in major areas of world trade, lost its economic independence and enough wealth to require at least a modest decline in its standard of living, will not pull out of the slide without acknowledging it. Someone must be made to pay the costs; preferably everyone and fairly. No one who refuses to define the problems and to summon the people to accept the burdens of solving them should be deemed fit to lead.

Energy, more than anything else, now symbolizes all these difficulties. The cumulative failures of the Johnson, Nixon, Ford and Carter years have sapped the nation of strategic power, wealth and confidence. The American people surely share the blame; they listened too long to leaders who promised them painless remedies. Fifty cents ago at the gas pump, they would have lynched any politician who would have taxed them another fifty cents to buy back some independence and economic health. Now they docilely pay the half dollar — to OPEC. Are we finally ready to face the painful truth? Only daring leaders will ever learn the answer.

With Sen. Kennedy battling Mr. Carter, the president will be hobbled through next spring. Given a bruising battle for the Democratic nomination, Mr. Carter will probably be a crippled leader through November of next year. His most admirable response would be a campaign of honor that values hard truth even more than ambition. And the electorate's best hope is to apply the same standard to all his rivals, rejecting mere charm and blandishment. The U.S. system of government, too, is being tested. The great opportunity of the otherwise dismal year ahead is for some leader to evoke a mandate for tough decisions, which alone will make the presidency worth winning.

THE NEW YORK TIMES.

U.S. Oil Reserve: Empty Vow

If five years of debate over energy has yielded consensus on any issue, it is the need for a reserve against interruptions in foreign oil supplies. For fear of driving up world oil prices, however, the Carter administration has suspended purchases for the emergency storage program. The strategic petroleum reserve, it now appears, may fall victim to the same public indifference that has sunk virtually every worthy energy initiative.

Congress authorized the reserve in 1975 after the Arab oil embargo. The Ford administration set a goal of accumulating 500 million barrels in underground salt domes on the Gulf of Mexico. President Carter raised the ante shortly after his election, calling for a billion-barrel reserve by 1985, with an interim target of 250 million barrels by the end of 1978.

Today the storage sites contain just 91 million barrels — barely 11 days worth of foreign oil at current levels of import. Part of the failure is attributed to construction delays. The job of developing the sites proved far more difficult than expected. But the only present obstacle to timely completion of the reserve is the availability of oil.

The last significant purchases for the reserve were made last fall. Then, during the Iranian crisis, the Energy Department sensibly stopped competing for scarce supplies. It has been reluctant to begin again for fear of tipping the delicate supply balance that has held since midsummer. Officials are review-

ing possible ways to return to the market. But they concede that no one feels any urgency about it.

There is a maddening internal logic to this suspension of the reserve program. If Americans continue to consume oil at current levels, additional oil for the reserve requires additional imports. But imports are already running close to the limits set by President Carter. And if the White House were to violate the quota for such a worthy cause, added U.S. demand could put unwelcome pressure on world oil prices.

The grave weakness in this argument, of course, is its assumption that every American's private thirst for fuel must be quenched before another drop goes into the salt domes. The petroleum reserve, the United States' only protection against another disruption of shipments from the Gulf, has been shunted to the back of the line.

The sort of conservation effort needed to free, say, 100 million barrels a year for the reserve would pinch a little, but not a lot. That amount represents less than 4 percent of present gasoline consumption. By not making the effort, the United States is, in effect, preserving the right of everyone to make five weekly trips to the supermarket now at the risk of not being able to make even a single trip if the world's oil faucet ever sputters again. Some logic.

THE NEW YORK TIMES.

Cynical Argentina

The military regime ruling Argentina has just committed one of the most breathtaking acts of bureaucratic cynicism of any government. It was in the situation of having to explain to its public and to an aroused international community just what has happened to thousands of Argentine citizens, swept up as "terrorists" or "subversives" or simply as political opponents, who have disappeared from the face of the Earth since the Videla government took power three years ago.

So what has the Videla government done? It has issued a decree allowing the government itself to declare all missing persons dead without official explanation. At one stroke it will be able to avoid having to produce either the disappeared people or their remains or any information about them. The only way to slow down this process of making responsibility for the disappeared disappear is — read closely — if, within 90 days, someone can produce evidence that the disappeared person is alive.

Think about that: the relative of a person of whom no trace exists because the government has obliterated all trace of him must find some live trace in a very short period of time without any help from the government. If the relative can't do it, the government will absolve itself of ever having to show any trace of the missing person, and it will prevent all others from looking for a trace. The government justifies the new procedure, incredibly, on humanitarian grounds: to shorten the time in which a disappeared person's family can apply for a pension.

That the Videla government would seek this way out of its political dilemma suggests a measure of depravity, and stupidity, inconsistent with the dignity of the Argentine people. The decree cannot be allowed to stand. The government has surrendered all remaining claims to the respect of decent people.

THE WASHINGTON POST.

In the International Edition

Seventy-Five Years Ago
September 17, 1904

ROME — An heir was born to the throne of Italy today. Queen Elena gave birth to a son shortly after taking an automobile drive in the park of Racconigi Castle. The infant prince is said to be very robust and to resemble King Humbert, his grandfather. He has been named Humbert and given the title of prince of Piedmont. A great popular festival took place in Rome this evening to celebrate his birth.

Fifty Years Ago
September 17, 1929

BERLIN — If there is a crisis in the Reichstag in the fall, it is likely to be produced by the question of unemployment insurance. The present Unemployment Insurance Act, passed in 1927, became a menace to the financial stability of Germany last winter. Then the unemployment severity of the winter, which swelled the list of the workless to nearly 2.5 million, drained the national treasury.



To Verb Is Human...

By William Safire

NEW YORK — Have you positioned yourself yet on the issue of verification? Put another way: Have you taken a position yet on the issue of turning nouns, adjectives and the like into verbs?

My revered colleague in columny, James J. Kilpatrick, author of the classic "The Foxes' Union" and a conservative before that persuasion became de rigueur mortis, was taking me to task recently for abandoning the ramparts of "hopefulness." He added: "Linguistic surgery continues, in the fashion of a sex change, transforming nouns to verbs. Three times in the past 10 days I have encountered 'to obsolete,' as in 'The bomber would have obsoleted the B-52.' If my brother Safire accepts that excrement, all is lost save honor."

Let's chew that over. When the purpose of turning a thing into an act is trendy brevity, or chic speak, the practice is bad style. A headline writer picks up a few pica when "plays host to" becomes "to host"; when a gushy host wants to show enthusiasm for a guest, he "enthuses." People who want to pretend their speaking time is valuable use such headlines as an affectation.

The verifiers become more offensive when they turn a coinage into an instant cliché: "to impact on," rather than "to have an impact"; or "to critique," for "write a critique" (or the more direct "criticize"). But at least the shorteners can claim the advantage of brevity: the abomination is the creation of a wholly unnecessary word. To author "has replaced" "to write" in the vocabulary of those who consider authors more important than writers. (At some opening night of a well-audited play, I intend to leap up, shouting, "Writer! Writer!")

Therefore, I would look askance at (I would "askan") pretentious or unnecessary noun-turnings. "To contracept" is shorter than "to control births" or "to practice contraception," but it should be quickly aborted: "to groundswell," used in politics recently, would give rise to a past tense of "groundswelled" and then to a distortion like "groundswollen"; that verb form is better contraindicated.

To other-hand it (formerly "on the other hand"), some new verbs from nouns are blessings, enriching and enlivening our discourse and making meaning more precise. Stephen Potter's "one-upmanship" led to the verb "to one-up," nicely blending "to seize an advantage" with "to patronize." Nobody objects to using "pocketed" instead of "put the money in his pocket"; in the same noun-to-verb way, we carpet the stairs and wallpaper the room. Adjectives can make good verbs, too: If we can sweeten our coffee and blacken a reputation, why can we not obsolete a bomber? Well, there goes honor, too. That reference of my brother Kilpatrick's — "all is lost save honor" — is usually attributed to Napoleon after Waterloo. To show how whole phrases, and not just words, can be happily transmogrified, consider wheeler-dealer Jim Fisk's 1869 quip after a group of political reformers defeated his corrupt Erie ring, but then generously paid the old pols off: "Nothing is lost save honor."

Query

This department is seeking the origin of the term that has seized technocrats by the throat: "state of the art." Sol Steinmetz, editor of the World Book Dictionary at Barnhart Books, has directed me to a definition by Woodford A. Haffin in his U.S. Air Force Dictionary, published in 1956: "the level to which technology and science have at any designated cutoff time been developed in a given industry..." as in

"the airplane's capabilities were determined by the state of the art at the time it went into production." He added that a "state-of-the-art contract" was one that used techniques already known.

Strange that the men of technology and science should choose "the art" to describe their work. Was this coined on the analogy of "state of the Union"? By whom? When? While he was at it, Steinmetz straightened the out on "synonyms," which originated in 1975, preceded in 1974 by "synchrone." And in 1972 by "synzyme," or synthetic enzyme. Seems that "syn" — the original syn was the Greek word for "along with" — has recently become a popular combining form. Scientists working in these fields call themselves "chemical syntheticists," which is hard to pronounce and causes spelling errors in resumes but is used because they will be damned if they will call themselves synthetic chemists.

Airlines

Why is a stewardess (excuse the sexism — "flight attendant") trained to say, "Mind!" when she offers you what most other people would call a Life Saver? Not because the airlines want to avoid plugging a commercial product. The reason "Life Saver" is taboo is the same as the reason "safety belts" are now called "seat belts": airlines is the language of reassurance, and they don't want anyone reaching for a piece of candy to get the notion that the pilot is preparing to ditch.

The studiously lazy drawl of the pilot (soon to be designated "supreme commander of the flight deck") is part of the orchestration of careful unconcern. Tom Wolfe, in a recent Esquire article on pilot Chuck Yeager, described "a particular folksiness, a particular down-home calmness that is so exaggerated that it begins to parody itself... the voice that tells you, as the airplane is caught in thunderheads and goes bolting up and down a thousand feet at a single gulp, to check your seat belts because 'it might get a little choppy.'"

This drawl, affected by most pilots, originates in Appalachia: in the mountains of West Virginia, in the coal country, in Lincoln County so far up in the hollows that, as the saying went, "they had to pipe in daylight." In the late 1940s and early 1950s, this up-hollow voice drifted down... down, down from the upper reaches of the flying fraternity to all phases of American aviation... it was "Pygmalion" in reverse... pilots from Maine and Massachusetts and the Dakotas and everywhere else began to talk in that poker-hollow West Virginia drawl, or as close to it as they could bend their native accents.

This aw-shucks, flyin'-is-jes-a-piece-o-cake tone mingles with certain familiar phrases to soothe the overly wary. One such phrase, part of every airline announcement made by every airline employee, with each word bitten off, Brinkley-style, is "at... this... time." Everett Briggs of the U.S. Embassy in Colombia is bothered by "Passengers are requested at this time to observe [sic] the no-smoking sign." (You don't observe a sign, you observe the rule.) "Flight 507 is ready for boarding at this time." Never "now"; give an airline employee a microphone, and he becomes a throwback to the train announcer for Jack Benny, reciting with glazed tonsils the schedule for "Anahim, Azusa and Cucamonga."

This formal informality is designed to soothe by boring. It takes off in fuzziness: "Welcome to the New York area" and "At this time, we are beginning the boarding pro-

cess." And it cruises on euphemism: ask a flight attendant for a barf bag and see what a look you get — not for being nauseated, but for being so uncouth as not to request a motion-discomfort container. On the cruise, however, a pretentious new term has been uphatched: the airline-industry verb "to deplane": "Passengers will deplane by the rear door." Never "please leave by the rear door." The fine old verb "debar" has been put out of the side.

Have to go now, my pet, Peeve, is debarking.

©1979, The New York Times.

High Stakes for U.S. in Turkey

By Andrew Borowiec

ANKARA — The U.S. electronic eye will probably continue its surveillance of the Soviet Union from Turkey. But acute pains seem to be accompanying the birth of a new formal agreement.

The stakes are by no means paltry: the fate of 26 installations that collect an estimated 30 percent of U.S. electronic intelligence from the Soviet Union, as well as the future of the Turkish armed forces as a shield of the southeastern flank of the North Atlantic Treaty Organization.

The negotiations are dominated by Turkish demands for a hefty aid package on the assumption, according to Premier Bulent Ecevit, that defense and economy are inseparable.

Snags

Both sides doubt that all snags can be eliminated by Oct. 9, when the present temporary agreement expires. But enough progress has been made to allow Turkey to let the U.S. bases operate while further negotiations go on.

The bases — or Common Defense Installations (CDI), as diplomats prefer to call them — were reactivated last October following the lifting of the U.S. arms embargo stemming from Turkey's military intervention in Cyprus.

The view of the Turkish negotiators is that the Ecevit government has taken a big political risk by authorizing the reopening of the bases. Consequently, the Turks want the Americans to show their appreciation by meeting Turkish demands.

And here the problem is out of the hands of U.S. negotiators. Turkey is thinking in terms of a huge influx of cash — upward of \$3 billion. The United States repays the day of big military grants is over, at least as far as Congress is concerned.

The U.S. team is trying to persuade the Turkish negotiators to settle for a more realistic figure: \$300 million a year for the next four to five years. Even that will be hard to sell to Congress.

And there is the question of the

need to revitalize the vast Tu military machine. It is beco closer to obsolete every m Here, too, the two sides differ: key wants an annex clause would refer to "force modern tion," but Congress-conscious negotiators speak merely of "improvement." It is more th a question of means.

U.S. concern about con the Turkish bases is obvious, p ularly in view of Iran's collaps potential ally and the talk of le military intervention in Gulf. So far, however, the only combat force in Turkey consi an air squadron with a nuclear lik-base near Adana.

Turkey appears worried th United States might want to us bases in the event of a milita eration in the Gulf oil fields. C quently, they want to tie the ilations to "NATO commitment."

Nuclear Tests

Strategically, the most impo facilities are long-range radar seismographic stations in Ty that keep track of Soviet nu tests. In all, electronic surveil based in Turkey and manne 5,000 U.S. servicemen could, r Soviet activities at the oc drone near Leningrad, the an testing ground at Semipalatinsk the missile launching center a, pustin Yar.

Facilities in Turkey also p the United States to monitor S ships moving from the Black S, the Mediterranean.

And, of course, there is the tion of U-2 spy plane overflig monitor Soviet compliance SALT-2. This facility appar has not come up in the cu U.S.-Turkish talks, but both are very aware of it.

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F.C. BRANTER.

— Letters —

Misery in Ulster

In his article "Americans and Ireland" (IHT, Sept. 8-9), Conor Cruise O'Brien overlooked an essential factor of the problem: that with or without outside backing it is impossible to eliminate, or even to effectively paralyze, a terrorist organization — especially one passionately motivated — when its members can rely on active help from a substantial minority and feel morally supported by a large section of their co-nationals. This is obviously the case with IRA and the Ulster Catholics, not to speak of the great majority of Eire's citizens and the Dublin government itself.

Therefore, Mr. O'Brien's implied question: "... he [Sen. Daniel Moynihan, D-N.Y.] means that the will of that [the Protestant] majority is either to be altered through pressure from Britain, or set aside," should be answered by a categorical "yes," for the simple reason that nothing short of Irish unification — and, don't let's forget, this is the IRA's exclusive and unrenounceable aim — will prevent further decades of bloodshed and ruin for Northern Ireland and of an unbearable drain in human life and treasure for Britain.

Moreover, there is no solid reason for Mr. O'Brien's fears that "if a British government... should seek to deliver the undeliverable [i.e., Irish unification], then the great firestorm will be joined by an Orange one and we shall have full-

scale civil war in Ireland." In fact, it is to be reasonably assumed that, once deprived of London's all-important military support and duly assured of strong guarantees on their civil and religious rights, the Ulster Protestants would see little purpose in rising against their countrymen. Finally, this is at most a hypothetical danger, whereas the current terror and misery has long been and will indefinitely constitute a tragic fact of everyday life in Ulster... and increasingly in Britain, too.

Geneva.

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PARIS, SEPTEMBER, 1979

Hong Kong

Setting the Pace for Modernization in Asia

Launching Pad for Mainland Trade

By David Bonavia

HONG KONG (IHT) — Hong Kong is rapidly turning into a launching pad for the trade drive being pushed across the border in China. Viewed mainly as a port market and major foreign exchange for 400-square-mile British colony is becoming an opus for thousands of overseas Chinese businessmen in the China hinterland offering goods many of these are hoping to obtain from the Chinese government, build factories, hotels and facilities.

ales Fever

mini out that very few could have access to hard currency — a with Coca-Cola, now some major Chinese overseas visitors. It seems authorities are simply nudge of the sales fever and Japanese companies will be trying anything to open up a market. Light being flashed to businessmen and investors is seen as the brain-dead Premier Deng Xiaoping's admiration of capitalist business is well-known, and boosted further during the United States in

Hong Kong to aid the power-sharing plan. Already, the mainland has captured a sizeable slice of the colony's market for petroleum fuels, and will doubtless guarantee its oil supplies in the event of a major world oil shortage. Numerous study missions arrive here regularly from China to familiarize themselves with up-to-date techniques in architecture, hotel management, communications and transport. Ongoing cooperation has been established between Hong Kong's government-sponsored polytechnic college and similar institutions on the mainland.

Three new aviation routes to China have been opened up in the past year, with Trident of the Civil Aviation Administration of China (CAAC) flying regularly to Canton, Hangzhou and Changsha. A through-train service from downtown Hong Kong to Canton has been started, obviating the need for a long wait at the border, where passengers used to have to change trains. Also, hydrofoils now ply regularly up the Pearl River to the provincial capital.

Relations between the British-controlled Hong Kong government and the authorities in the People's Republic have never been better, and Hong Kong's governor, Sir Murray MacLehose, recently paid a historic visit to Peking, where he met with Mr. Deng.

Uppmost in the governor's mind was the problem of immigration from China into Hong Kong — both legal and illegal. Coupled with the continued arrival of refugees from Vietnam, the numbers coming from China have often topped 1,000 a day this year, and have only recently been curbed somewhat by tighter controls on both sides of the border.

At least the additions to the local work force have helped keep down wage rates, and saved Hong Kong's manufacturing industries from losing their cutting edge in export markets. If and when the colony reverts to China, it will bring back a skilled and experienced labor force.

In the meantime, Hong Kong investors are being allowed access to the low-wage work force available everywhere in China.

By Harvey Stockwin

HONG KONG (IHT) — British Prime Minister Margaret Thatcher will soon be making a decision of importance for Hong Kong's nearly 5 million inhabitants.

She will have to decide who is going to be the next governor. It is no longer a question of selecting a suitable figure to run a colonial outpost. The prime minister cannot choose a personality adept at handling over power to the local elite as a pretense to independence — as have most colonial governors during the last 30 years.

It tells a lot about Hong Kong's situation to calculate the qualities that its governor requires. What Mrs. Thatcher should be looking for is someone capable of presiding over, and guiding, a complex and dynamic economy which is one of the pacesetters in East Asia's push toward modernization; with the imagination to perceive social tensions and economic discontents well before they reach crisis proportions — a talent which is essential since only a minute fraction of Hong Kong Chinese can express themselves with a vote.

As a result, the irony is that China almost certainly gains greater financial benefit from the continuance of the status quo than does Britain. The reality of Hong Kong forces Britain to still occasionally look East of Suez, even though successive British governments have obvious difficulty even focusing East of Margate. It is to be hoped that Mrs. Thatcher will extend her gaze as she makes her decision on the prestigious posting. Almost certainly she has before her a short list of candidates composed mainly of diplomats with long Asian experience.

Other Names

Other names consist of political loyalists, reminders that for some Britons the governorship remains a prize piece of political patronage. Neither China nor Hong Kong would be amused if a political hack were to get the job. China does not want to worry about Hong Kong, and Hong Kong does not want to worry about its governor.

With a deep understanding of, and intuitive feel for, all things Chinese, capable of getting on well with the present leaders and government of China, with whom he may have direct dealings. He should also be a personality of whom the Chinese leadership approves since their unspoken consent is a key factor in Hong Kong's

stability. Capable when necessary of playing a political role on the southeast Asian scene. Capable of representing Hong Kong's interests strongly to London, and capable of resisting British pressure for its interests, at Hong Kong's expense. Who is a leader, as well as a diplomat.

This is only a partial list, but already it is a tall order. The required qualities indicate that the governorship is a job of power and influence, as Hong Kong becomes increasingly important on the Asian scene, despite the fact (and also because of it) that the colony can never aspire to independent nationhood.

Dead Era

The power and the importance stem from the fact that Hong Kong's fast-rising gross national product is already more substantial than several numerically larger nations in the Third World. Hong Kong ranks high on the list of the world trading nations. Like its sister city-state, Singapore, it is an economic "spark plug" for regional developments. Hong Kong is both China's window on the world — and the world's access point to China. It is a major shippingway, as well as shipping center. Hong Kong's role as a major financial center is well illustrated by the Hong Kong and Shanghai bank's takeover of a major U.S. bank. (All these facets are explored in other articles in this supplement.)

At the same time, the toughness of the top spot in the Hong Kong hierarchy is illustrated if it is remembered that Hong Kong is an anachronism and anomaly, an irony and a contradiction all rolled into one.

The era of Western dominance in Asia, and of the British empire, is dead. But Hong Kong has no immediate choice between remaining a British crown colony and being reabsorbed into China. On Chinese maps, and in Peking's presentations to the United Nations, Hong Kong's political status is made very clear — "Chinese territory under temporary British administration."

But "temporary" status looks like existing for a good many years yet. This is because while Britain, the colonial power, has made it very clear elsewhere that it will end its colonialism wherever possible, China, an anti-colonial power, has made it very clear that it does not seek such a termination for Hong Kong at the present time. Hong Kong is one of the best remaining



Hong Kong harbor, with the New Territories and the Kowloon Peninsula in the distance

examples of a true-blue capitalist society, in which the proxies of the world's largest Communist power play the game by the capitalist rules.

One certainty is that there are no Chinese names on Mrs. Thatcher's short list, even though there are some distinguished Hong Kong Chinese capable of doing the job. The blunt reality is that neither now, nor in the future, would China want a Chinese governor. Peking welcomes Hong Kong's role as a spur to China's economic development. It will never welcome Hong Kong acting as a spur to Cantonese disaffection, or southern China's centrifugal pulls. A Chinese governor would be seen as a likely step in an unacceptable direction. Residual Hong Kong speculation centers on the (faint) possibility that Mrs. Thatcher might appoint a political "disloyal-

ist" (from her viewpoint), former Prime Minister Edward Heath.

China would privately welcome his appointment, and as a politician, Mr. Heath might be more adept at running Hong Kong in the 1980s than a trained diplomat would be. A figure of stature will be required, when the question of the lease on the new territories has to be tackled. This is the issue that arises because Britain in a fit of absent-mindedness agreed to a time limit on its colonial control. Hong Kong island was ceded by China "in perpetuity." Kowloon's cession was not not even limited to perpetuity. But the new territories — without which Hong Kong could not function — were acquired on a 99-year lease which runs out in 1997.

Mr. Heath would probably view the governorship with the same disdain as he refused to be ambassador in Washington. Mrs. Thatcher

would probably not make the offer in the first place just in case he accepted. But the speculation about Mr. Heath emphasizes two strands in Hong Kong's political complexity. China would welcome Mr. Heath because of his strong anti-

Soviet stances. One Chinese condition attached to continued British rule in Hong Kong is that the Russians be kept out of China's back door. Consequently, Moscow is de-

(Continued on Page 125)

Influx of New Banks Aids Diversification

By Leo Goodstadt

HONG KONG (IHT) — With a bank branch for every 5,150 residents, Hong Kong has become a major center for international banking, and the pressure from foreign banks to obtain licenses has been intense. The total number of banks operating in Hong Kong has grown from 74 at the end of 1977 to 103 today, with another 12 to open branches shortly. The government has now imposed a temporary moratorium on new bank licenses.

With the influx of new banks, the premier local establishment, the Hong Kong and Shanghai Banking Corporation, has gone after alternative markets in the United States through a bid for the ailing Marine Midland Bank. The takeover encountered brisk opposition from the banking commissioner of New York State.

Still determined to diversify, the Hong Kong and Shanghai Bank dropped its application for a New York State license in June this year. Instead, it raised its price from \$262 million to \$304 million to keep the American shareholders happy.

A national charter has been sought for the Marine Midland, and the controller of the currency has been asked to approve the takeover on the revised terms. The Hong Kong Shanghai Bank has its fingers crossed that the deal will be completed by December 1980.

Some opposition to the Hong Kong and Shanghai Bank in New York allegedly stems from resentment felt by American bankers. There are 14 U.S. banks operating branches in the Crown Colony. A number of these complain bitterly about the interbank market and the substantial premium which foreign banks have to pay to get funds. Over the last two years, interbank rates have exceeded charges on ordinary commercial borrowings.

Borrowing

The local scene is peculiar for American banks. Several have called for better access to the government's deposits, which are a major source of local bank funds. Foreign banks, in general, have no difficulty in adjusting to an economy where public borrowing is eschewed, and substantial budget surpluses are run up by the government each year.

The real paradox is the interest-rate structure. American banks want an end to what they regard as market-rigging on inter-bank lend-

ing, and more competition on these rates. However, in raising deposits from the public, most U.S. banks are loyal to an interest-rate cartel which openly seeks to minimize bank competition. The Crown Colony sees the cartel as a useful barrier against cut-throat battles for deposits which caused a bank run in 1965.

The split between American and local bankers is downplayed by many observers, who point out that the Hong Kong and Shanghai Bank is not the only target for American criticism. The bank enjoys the most prestigious form of advertising: the right to print its own banknotes. But these official privileges are shared by the Chartered Bank, whose parent, Standard-Chartered, took over Union Bank of California very smoothly this year. The Chartered Bank in turn proves that official status is no defense against market forces.

The Hang Seng Bank almost closed its door in the 1965 banking crisis. Today, it is Hong Kong's second biggest bank at Chartered's expense. Expansion came from robust development of Hang Seng's Chinese characteristics as foreign banks struggled for a foothold in the market.

Also convincing is the success story of Manufacturers Hanover against all-comers local and international. The one significant public borrower in the Crown Colony is the mass transit corporation. The first stretch of the underground railway starts operations on September 30. Manufacturers Hanover organized a syndicate to furnish \$600 million in credit facilities for the construction costs. These funds represent 55 percent of all bank loans extended to the underground.

The unique nature of Hong Kong's banking industry is highlighted by the active role played by Peking in the market. The Chinese government owns or controls 13 banks in the Crown Colony. These are grouped around the Bank of China, which is responsible for all Peking's external banking transactions.

Maritime Center Is Active Despite Shipping Slump

By George Lauriar

HONG KONG (IHT) — Hong Kong is the world's most important maritime center west of Tokyo and east of London. A simple statement describing a complex and intense society of shipowners, chandlers, brokers, container operators, marine insurers, shipbuilders and ship breakers that line the shore of the region's finest harbor.

The shipowners of Hong Kong control tonnage in excess of 20 million dwt (this must be a record of sorts for a colony with an area of only 400 square miles) and range from giants such as Sir Yue Kung Pao, (10 million dwt) and C.Y. Tung, (5 million dwt), to single shipowners that often share a desk in western district and skittle their assets at the best opportunity.

Other shipowners such as Jardines and Swire are left over from the days of the opium clippers and tea traders actively pursue the traditional liner trade which connects Hong Kong with Europe.

Ominous Forecasts

The shipping slump which followed the 1973 Arab oil embargo had less effect on Hong Kong owners than their European and American counterparts, but by 1977 it forced the larger Hong Kong owners to sever their connections with the traditional Japanese charterers following the near collapse of Japan Line. The owners then began making numerous purchases of European secondhand vessels from European owners that had suffered badly from the shipping slump. Again, the Hong Kong owners relied largely on charter-back deals whenever possible, but times had changed and there was some resentment over the Hong Kong invasion of the European market.

Shipping in Hong Kong during 1978-79 began to improve despite the ominous forecasts of a depression in trade due to a reduction in textile exports to the United States and Europe. The improvement was largely the result of an increase in

the export of electronic, and other medium-to-high technology goods, and the opening up of the China. Last year, 9,436 ships entered Hong Kong and 9,396 ships cleared, accounting for 18,999,101 tons of cargo discharged and 6,716,634 tons loaded. The figure for the first five months of this year are about 7 percent higher.

Predictably, there was a large growth in the container trade as the new Chung terminal which comprises sea-land, modern terminals and Hong Kong international terminals accounted for 613,068 (20-foot equivalents) inbound and 613,188 outbound, making it the largest container terminal in the region. The terminal serves three

different trades; it acts as a consolidation point for regional cargoes, it serves Hong Kong and finally it acts as entry point for cargoes coming in and out of South China. This latter role should increase significantly as China moves into containerization, with Hong Kong acting as a point of consolidation for large numbers of China bound containers.

Hong Kong ship brokers benefited strongly in the dismal markets of 1978-79, from the Hong Kong purchases of secondhand ships by China. Peking's China Merchant Steam Navigation and its comrade organizations in Hong Kong and Macao accounted for around 85 of the 140 ships purchased by the Chi-

nese during 1978. At one point, 10 to 12 brokers a day were knocking on China Merchant Steam Navigation's door trying to make mainly cash deals. During the first 9 months of 1979 the pace has slowed down with only 32 purchases funneled through Hong Kong to China.

Obvious Benefit

The ships are frequently registered in Panama but brokers do not know until the final papers are signed whether a ship will operate under a flag of convenience for a Hong Kong company or, will be incorporated into the mainland's fleet.

Another obvious benefit of the

buying spree by China has been the outfitting of Chinese ships by local shipyards. Hong Kong united dockyard in particular has benefited from survey and repair work on Chinese ships. China merchant steam navigation itself has recently entered the ship repair business in Hong Kong as Yui Lai Machinery, a company closely connected with Peking, has built a \$20-million repair yard on Hong Kong's Tsing Yi Island, which is expected to cater to 200 ships a year.

China Merchant Steam Navigation has also entered into a ship repair and breaking facility in Shenzhen, China. This is the first joint venture of its kind in China. The increased use of Hong Kong for ship repairs and surveys is the result of China trying to farm out the routine work to allow its own shipyards more time to build vessels.

Hong Kong based shipping firms have been extremely successful in offering specialized maritime skills to China. The most significant deal was an agreement between East Asiatic Co., through its Hong Kong office with COSCO (China Ocean Shipping Corp.) to help update the Chinese in modern shipping management. More recently, multinational maritime has signed a container-leasing agreement with China Ocean Shipping Agency, with Shanghai being the initial depot for the project. Another Hong Kong company, MacGregor, has agreed with COSCO to establish facilities in Shanghai and Kwangchow for the supply of spare parts to both foreign and Chinese vessels.

The Hong Kong shipping market should even become more complex in the immediate future. With the movement of offshore oil drilling in South China, rigs will soon be operating that will require surveys, spare parts, and service vessels. It is unlikely that China will be able to service these needs herself and Hong Kong will probably add this activity to the already bustling maritime society.



The sprawling container terminal at Kwai Chung on Kowloon



Hong Kong Fails to Crack the Huge Japanese Export Market

By Mary Lee

HONG KONG (IHT)—On the last Monday of each August, Hong Kong celebrates liberation day to commemorate the end of Japanese occupation during World War II. In the preceding fortnight, retired ex-prisoners of war fill the letters-to-the-editor columns in the two main English-language dailies with maudlin accounts of their terrible suffering. These always end with demands for larger pecuniary recognition from the British administration here of their valiant defense of the colony against the Japanese advance. The irony of this public lugubriousness about those bad old days escapes the expatriate British community.

The Chinese do not participate in the celebrations. Hong Kong's liberation day is little more than a colonial convenience set to coincide with the August bank holiday in Britain. The irony takes on a sharper edge these days since Hong Kong's economy badly needs Japanese support to correct its \$2 billion trade deficit with Japan.

Delegation

Last November, a top-level trade delegation led by the governor, Sir Murray Maclehoose, was dispatched to Tokyo to "propose to the Japanese government and industrial leaders a new direction for the future development of economic ties

between the colony and Asia's industrial giant. Despite the delegation's lack of economic clout—Hong Kong is hardly in the position to threaten the Japanese with trade sanctions—it managed to avoid a cap-in-hand stance.

Sir Murray pointed out to the politicians and businessmen in Tokyo that the far better performance of South Korean and Taiwanese exports to Japan, and the higher level of Japanese investment in those countries, showed a definite link between sales and economic involvement. "We very much hope that there will be more direct involvement by Japan in Hong Kong industry," the governor told his distinguished audience.

The main question—why Hong Kong exporters had so far failed to penetrate the Japanese market—was never answered. Hong Kong products took up less than 1 percent of total Japanese imports last year, and one-third consisted of non-manufactured goods such as fish products and scrap metal. The biggest export items—clothing, textiles, and radios—evidently did not attract much interest. On the other hand, Hong Kong-made or assembled watches—a line into which the Japanese had invested some \$7 million—fared much better, adding some weight to the governor's sales-investment link argument.

Correcting the imbalance of trade between Japan and Hong Kong will be the task of the Japan-Hong Kong business cooperation committee, set up after the delegation's visit. The Hong Kong side sees this realistically as a very long haul. "We do not expect quick results, but we have to be hopeful," a member of the delegation said. "The alternative is bad, but we haven't any grounds to be optimistic." Hong Kong business leaders see the difficulty of penetrating the Japanese market with a great deal of objectivity. They agreed that local manufacturers were at fault for not researching the Japanese market, assuming rather disastrously that it was similar to the American and European markets. The market very seldom develops to fit the product, the Japanese, quite rightly, maintain. If it does, the Japanese will start producing it.

Particularly irksome to Hong Kong manufacturers is the "discrimination" they suffer under the generalized system of preferences the Japanese introduced in 1971. Under this system, seven items which are produced in great quantities here are excluded from "preferences": travel goods, leather footwear, artificial flowers, gold and silver jewelry, imitation jewelry, glass beads and imitation pearls and toys other than dolls. The Trade Development Council here maintains that "it is difficult to see

any justification in the continuation of this discrimination. The effect of the exclusion has been to divert trade away from Hong Kong to other sources.

Selling more to Japan, nevertheless, seems less difficult than attracting Japanese investors to Hong Kong. Much to the frustration of local officials here, the Japanese are preoccupied with the future of Hong Kong in relation to China and the New Territories Lease, which expires in 1997. During its November visit to Tokyo, the Hong Kong package of attractions was rather thinly bound with "assurances" that the colony's relationship with China was improving by leaps and bounds, particularly after the governor's successful spring visit to the mainland, which extracted the request from senior vice-premier Deng Xiaoping that Peking wanted investors' hearts to be put at ease (about the colony).

Japan has also played a major role in Hong Kong's construction and engineering industry. Six Japanese firms have between them 29 percent of the phase one mass transit railway contracts valued at about \$1.2 million. Japan is also the biggest foreign contractor in the MTR's Tsuen Wan extension, after which come British, West German, French, Swedish and American contractors. The Hong Kong shipping and ship building industry is

the other area which has close dealings with the Japanese.

Hong Kong's pragmatic approach to the China question—that just because "we will all die one day doesn't mean we shouldn't try to make the most of life now"—is not shared by Japanese industrialists whose sophisticated capital investment requires more than 15 years to amortize. There are already some 100 Japanese companies

here with a total investment of about \$85 million, amounting to 19 percent of total foreign investment in Hong Kong. Japan is the second largest investor in manufacturing industries, after the United States. The money is in textiles (\$23 million), electronics (\$14 million), printing and publishing (\$11 million), electrical products (\$10 million), watches, clocks and accessories (\$7 million), chemicals (\$5

million), metal products (\$4.5 million) and metal rolling and extrusion (\$4.5 million).

Following Japan's example, Hong Kong industrialized as one collective copying machine operated by cheap labor. Like Japan, Hong Kong, too, is finding cheap labor a rapidly diminishing resource. However, manufacturing industry here still has a long way to go before it can throw up interna-

tional household names like Seiko. Hong Kong is in need of industrial investment, a higher technology base, transfer of technology from its much sought after. The work is already being laid for projects which Japanese are keen to set up, including producing cameras, copying machines and assembling of film projectors.

Rural Serenity and Glimpses of Old China

By I.M. Taylor

HONG KONG (IHT)—Last year just over 2 million tourists arrived in Hong Kong. Nearly half a million of them were Japanese and half as many as that from Western Europe. American and Canadian visitors totaled around 300,000.

It is a safe bet that the image carried away by most of that 2 million was that of a supercrowded, urban density with its constantly rising skyline, made more photogenic by the close proximity of the busy harbor.

That is only part of the picture. Few visitors realize that they can also find rural serenity in Hong Kong, plus glimpses of life as it once was in China.

For a start, there are the New

Territories where hikes over the hills are possible, and where the government has opened up the MacLehose trail for bikers, named after the present governor. There are several walled villages where Chinese clans cling to their traditional ways. But the New Territories are also only part of the story.

Many Islands

The colony of Hong Kong does not consist of just one island, Victoria plus Kowloon and the New Territories. Like Singapore, Hong Kong is surrounded by islands. In the case of Singapore, most of the islands belong to Indonesia. Hong Kong includes none less than 263 islands within its boundaries, with just a fraction of them being, as yet, inhabited.

The islands stretch in all directions: toward the Pearl River Estuary in the west, out toward the South China Sea, and along the east coast of the new territories. Beyond them are more islands belonging to China. The perspective which emerges is that Hong Kong, too, is part of the great Archipelago stretching from the Soviet Far East and Japan, south to the Philippines, Indonesia, the Pacific and Indian Oceans.

Most visitors only see this array of islands briefly as they come in to land at Kai Tak Airport, but an efficient ferry service keeps all the major islands in touch with life of the city, while allowing island residents to be away from the hustle and bustle. In complete contrast, the island villages enjoy a way of life that has long since disappeared in the urban heart of the colony.

The Hong Kong Travel Association provides a few island-hopping cruises for visitors, but regular ferries can be taken from the outlying

districts pier to Silvermine Bay and Tai O on Lantau to Peng Chau, Cheung Chau, and Lamma Islands.

Even more remote islands lying close to China in Mui Bay are also (less regularly) served by commercial ferries. On visits to these islands it is necessary to carry your passport or identity card since the islands are the target of the "freedom swimmers" from China—those illegal immigrants who get to Hong Kong if the sharks in Mui Bay do not get them first.

Ping Chau Island in Mui Bay lies closest to China but nowadays has few inhabitants. Kap O Chau (Crooked Island) is a fishing village, and is ringed by hills which, once climbed, provide some fine views of the sea and the Chinese mainland beyond.

But the most scenic island is unquestionably Lantau, which, at 75 square miles, is more than twice the size of Victoria Island. Most tourists only see Lantau as they pass by on jetfoil or hydrofoil on their way to the gambling casinos of the neighboring Portuguese colony of Macau, but Lantau itself offers remote beaches, temples, monasteries (one Trappist as well as the Buddhist ones), mountain peaks and picturesque walks.

The southern part of Lantau has paved roads, a good bus service and some interesting restaurants, including one run by an overseas Chinese who learned French cuisine in Paris but preferred to settle in Lantau.

Question Mark

Northern Lantau is a question mark. A possibility is that it will be designated an industrial area as Hong Kong entrepreneurs run out of land elsewhere. This could fit into the plan to create a larger air-

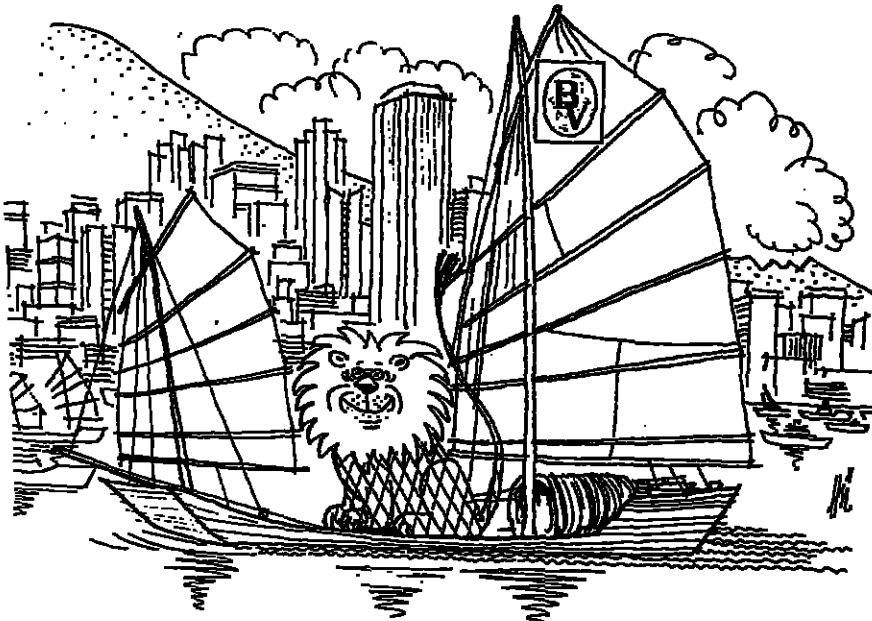
port than Kai Tak whose sing way is already near to the limit of its capacity. The new airport will be built on Chek Lap Kok just north of Lantau.

If this comes about, the project will provide some spectacular man-made scenery to a nature's one or two major scenic bridges would be across two intervening islands between Kowloon and Lantau up with the colony's overall development. A major new way would have to be built north of Lantau, as no road there at present, to reach Chek Lap Kok which will be leveled airport. Environmentalists are likely to protest if such a path is pushed through, but Lantau is beautiful enough to fit the needs of modernity and a sanctuary away from it all.

Lamma Island, which is closer to Hong Kong, is also marked with "progress." The two main villages in the north part of the island while the island's southern part is a reserve. A huge power station now being built on Lamma will make the island less than

Cheung Chau (Long Island) more inhabitants than either Lantau or Lamma and combines with views of a Chinese village. No vehicular traffic except for an antique diesel engine. The harbor contains of all shapes and sizes. Build Cheung Chau are limited to floors, but a seven-story hotel 30 bedrooms is now being built. Soon Cheung Chau visitors will be able to look out of their rooms across seven miles of sea and a distant Hong Kong, which is more attractive from afar than it often does up close.

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Vietnamese Refugee Problem

By Anthony Lawrence

HONG KONG (IHT)—Hong Kong regards the boat refugees from Vietnam as a major headache. The numbers are now approaching the 70,000 mark. This is not an impossible burden for a prosperous colony of 5,000,000 with virtually no unemployment. But Hong Kong authorities are concerned that enormous numbers of ethnic Chinese still in Vietnam may be due for expulsion or flight in the coming months. This could seriously affect the colony's social services and living accommodation.

The Hong Kong government is also worried that, despite the pledges made at the Geneva conference in July, the rate of resettlement of refugees from Hong Kong to Western countries is unacceptably slow. And contrary to their unofficial undertaking at Geneva, the Vietnamese authorities appear not to have turned off the refugee tap. For every hundred refugees leaving Hong Kong for new homes in the West, another hundred appear in Hong Kong waters, sometimes in leaking fishing boats, sometimes in the foreign freighters that have picked them up from the South China Sea.

Local attitudes toward the newcomers vary. Many have openly voiced the view that Hong Kong should not accept the refugees. Earlier this year a leading Chinese businesswoman, Lydia Dunn, said that Hong Kong would be swamped by a human flood if refugees were to be welcomed. Refugee boats should be towed out to sea again, she said, even if they had to be finally accepted. This would at least make it clear to the world that Hong Kong was not going to be exploited.

Humanitarian View

But an attitude shared by voluntary agencies and some Europeans in the colony has been that Hong Kong must accept refugees on humanitarian grounds. Hong Kong, they say, is the end of the line, the last hope on the journey north. Refugee boats, if towed away, must certainly be lost. Thousands are believed to have sunk already on the way up from Vietnam.

In the event, the Hong Kong government has developed a spartan policy that, at least, ensures basic health and living conditions. "Unlike some other countries of first refuge," a government social worker said, "we do at least send refugees to the hospital if they fall ill."

Hong Kong has opened 14 camps for the refugees. Of these, four are run on behalf of the United Nations High Commissioner for Refugees by voluntary organizations, and the rest are run by the government. The UNHCR, which has representatives in Hong Kong, recently accepted complete financial responsibility for all the



camps. But the Hong Kong government is quick to point out that it has had to shoulder costs amounting to more than \$13 million for the first half of this year.

Refugees quartered in government-controlled camps are not allowed out. Those in camps run by voluntary agencies can "not" duly leave camp when they wish, but are also actively encouraged to seek work to help pay for their keep and save for the future. This policy will be extended to more camps as voluntary agencies are able to take over supervision. So far it is estimated that about 6,000 refugees are working in Hong Kong factories.

And, as about 70 percent of the refugees are ethnic Chinese (their families settled in Vietnam many generations ago), they can sometimes find jobs easily enough in a Chinese community like Hong Kong.

Skills Welcome

If they can speak the local Cantonese language and are skilled workers, they are welcomed by local employers. This is because in recent years, Hong Kong has suffered a chronic labor shortage. But in many cases, language difficulty and inexperience in factory work mean that the refugees run a greater risk

of accidents and are paid less than local people. And some may say refugees are of doubtful value because they may leave at any time for another country. P (whole, problems caused by refugees so far have been less than could have been expected. There have been some reports of over-boring housing estate dwellers, but the authorities say that over-boring behavior has been good for the morale of the refugees.

The major complaint Hong Kong government is that refugees are being moved out of the colony more slowly than other southeast Asian countries that have given the refugees less humane treatment.

Since the beginning of the year, up to September 1, only 9,500 refugees had been resettled from Hong Kong. It is unlikely that more than 16,000 will have moved on the end of the year, and next year's location is uncertain.

Representatives of Hong Kong major churches and voluntary agencies are touring Western countries, asking them to transfer Vietnamese refugees from Hong Kong.

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Here Every Man Looks Forward to Becoming His Own Boss

Anthony Lawrence
HONG KONG (IHT) — Although Hong Kong is a British colony, most of the people don't know what a colony is. They have little contact with the British, and they provide the law and order. The number of British is less than 100,000, compared with four and a half million Hong Kong

of the Chinese in Hong Kong. The people who have been interested in business since the Chinese of the mainland provinces, Guangdong, immediately after the Communist take-over of Shanghai in 1949. They included big textile industrialists and their modern machinery — some of it diverted to Hong Kong on freighters originally bound for Shanghai — were a big factor in the growth of Hong Kong's textile and garment industry. To the local Cantonese, the Shanghai newcomers were the big-mouthed city slicker who needed taking down a few pegs. To the Shanghai businessman, Hong Kong seemed a small provincial town. These attitudes have been modified by the years. The Shanghaiese, of whom there are about a quarter of a million, have made important contributions to Hong Kong. They and the Cantonese have produced the Hong Kong businessman, the man with

they are known in Hong Kong for their tough clannishness. Hong Kong also is the home of smaller Chinese groups whose origins lie outside Guangdong. These include the Hakka people (Hakka means guest or stranger), who are believed to have journeyed down from North China in past centuries and settled in various central and southern provinces, some reaching Hong Kong to live as fishermen and farmers. Hakka women are noticeable in the vegetable fields and on building jobs by the black cloth drapes hanging from their big straw hats.

A more sophisticated addition to Hong Kong life came with the immigrants from Shanghai, the great city port of Central China. Many of these arrived after the Communist take-over of Shanghai in 1949. They included big textile industrialists and their modern machinery — some of it diverted to Hong Kong on freighters originally bound for Shanghai — were a big factor in the growth of Hong Kong's textile and garment industry. To the local Cantonese, the Shanghai newcomers were the big-mouthed city slicker who needed taking down a few pegs. To the Shanghai businessman, Hong Kong seemed a small provincial town. These attitudes have been modified by the years. The Shanghaiese, of whom there are about a quarter of a million, have made important contributions to Hong Kong. They and the Cantonese have produced the Hong Kong businessman, the man with

Rising Inflation Poses Problems for Tourism

By I.M. Taylor

HONG KONG (IHT) — The rate of double-digit inflation is jeopardizing Hong Kong's tourism in several ways, not least the cost of the hotel trade. Some industry spokesmen warned that increased hotel costs (the Hong Kong dollar is depreciated against the U.S. dollar) and the cost of food and other necessities in stores could price out of its once favored status the Asian tourist circuit. The Hong Kong tourist industry may be exaggerated, but inflation is worldwide and the Hong Kong tourist industry suffers from it. But one clear fact: Hong Kong needs to go with its old standard hotel service, exotic restaurants, the best range of shopping, and the China border, after a long time, is much easier to cross into China and see the real things. Hong Kong has an attraction which is not shared by foreign — and Western — tourists. It has something like a prime minister. It is we could not afford

in each direction over a milelong stretch of peninsula between the lowland park around the entrance and the end of the headland. The cable cars, as they move along, reaching a maximum height of 210 meters, offer a panoramic view of Hong Kong's coastline and outlying islands. The park's attractions lie at the end of this ride. First, there is one of the world's largest aquariums, holding 2 million liters of purified sea water. The aquarium is a simulation of a tropical atoll and contains nearly 30,000 fish from the region that can be viewed at differing depths. There is a cove where tides and waves are artificially produced and where penguins and sea lions roam. At feeding time each species responds to a different electronic signal as their keepers come forward with the food. There are several shows daily in a large open-air theater, which include a killer whale, high-jumping dolphins and acrobatic seals.

A Rare Animal

Ocean Park is run by a rare Hong Kong economic animal — a nonprofit organization, which was helped to get going by a \$30-million donation from the Royal Hong Kong Jockey Club. So far the appeal of Ocean Park has been greater for Asian tourists.

The Taiwanese top the list of foreign visitors closely followed by the Japanese. But no less than 80 percent of the park's visitors are local people. Curiously the park gives this as a reason for its limited advertising together with the fact that foreign tourists stay a short time in Hong Kong. Foreign visitors might stay longer were Ocean Park better known. Apart from its performers, its major attraction is the fact that it is one place where Hong Kong has taken great care and trouble, as well as demonstrating concern for nature.

Headland

Following after a visit to the combined marine park and zoo. Set between Repulse Bay and overlooking the sea, the park covers 180 acres. These were donated to the Hong Kong government. The park is developed with a variety of facilities. While the park is known for its marine life, it also has a more picturesque setting. A feature of the park is the cable car system which carries 2,000 passengers an hour

If a man can't grow rich himself, he'll pin his hopes on his children. There's enormous pressure to get children into good schools and force them through examinations. Children start learning their Chinese characters at the age of three and four. Southern Chinese — and that means most Hong Kong people — are known as intense individualists.

initiative in looking for new customers and satisfying them, who's ready to take a chance and leap on any bandwagon that looks promising.

The Shanghai immigrants were only a small part of the vast army of mainland fugitives flooding in to Hong Kong at the end of the forties. Some came from the cities, some from the land. They came by hundreds of thousands, completely swamping the postwar British administration. They lived in the streets, in flimsy hillside shelters

that still form today's squatter colonies. They were undemanding. Their common aim was, simply, survival.

They were the human raw material that fueled Hong Kong's developing prosperity. They worked long hours in the new factories and started workshops and small businesses. Some prospered and became millionaires. Some entered the rapidly expanding professions. Most manned Hong Kong's industries as skilled and unskilled workers.

This is still the human pattern of Hong Kong today, though wages and expectations have both risen. The great mainstay of the textile and garment industries are the Hong Kong work-girls, whose fingers are said to be the most dextrous in the Far East.

Because Hong Kong has developed so fast, striking differences of background still persist between the families who lived in Hong Kong in early times, long before the British took over in 1842, and

those who arrived in the later waves of migration to swell the city areas.

Out in the new territories, the rural area stretching up to the border with mainland China, histories and ancestral tablets of ancient clans are still preserved in village halls. Ancient festivals neglected by the city-folk received big financial support by farmers and fishing communities.

But along the shores of Hong Kong harbor, where most of the people live, it's a land of factory workers packed into limited ac-

commodation — one of the highest human densities per acre in the world. This congested living, whether in private tenements, in government housing blocks, or in illegal squatter colonies on the hill-sides near factories, has wrought big changes in human attitudes.

Break Down

The old family structure is breaking down. Young married couples have less space — and less desire — to accommodate aging parents, and the Hong Kong government is having to care for the needs of the aged with pensions and other benefits. Crime in housing estates causes many parents to keep smaller children shut in for fear of kidnapping or gang violence. Most families watch television and there's a far greater knowledge (than ever before) of luxurious living in the West. This is thought to have led to increased crime among discontented young men. One of the black spots on the Hong Kong scene is the activity of "triads" (secret societies) that live by protection rackets and extortion.

Secret societies are as much a part of Chinese tradition as the mafia in Italian life, and police efforts to stamp them out have not succeeded.

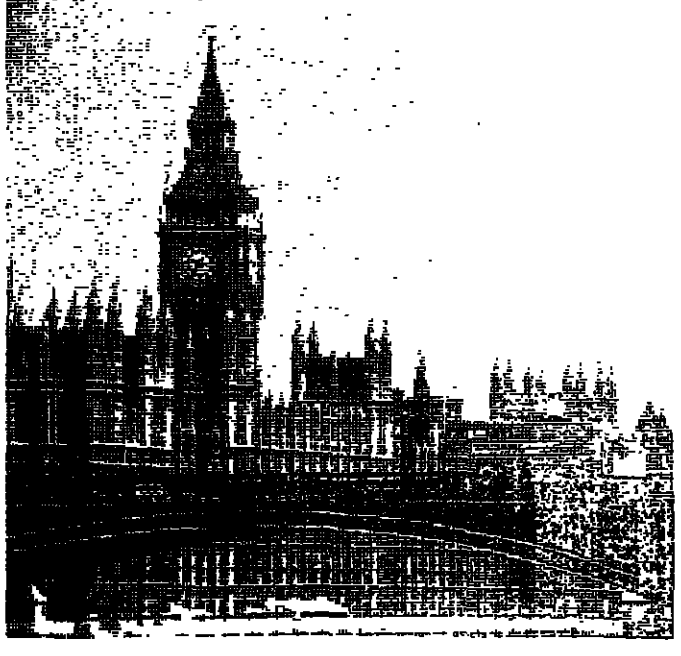
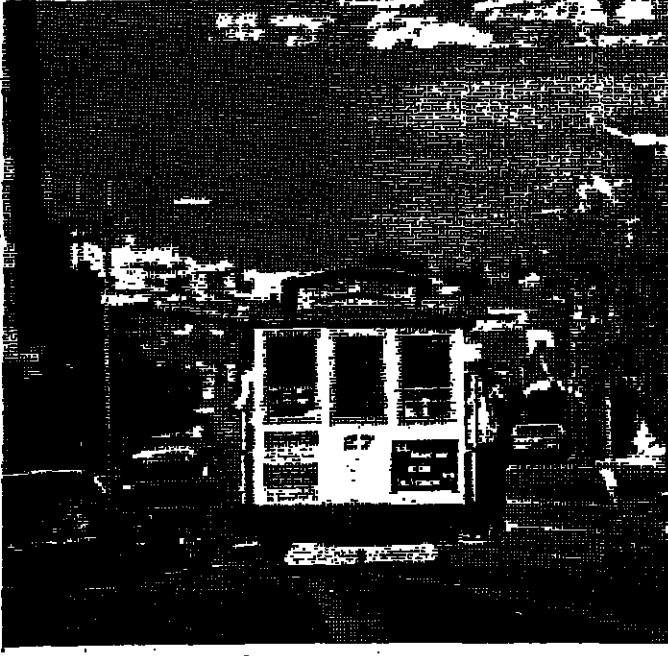
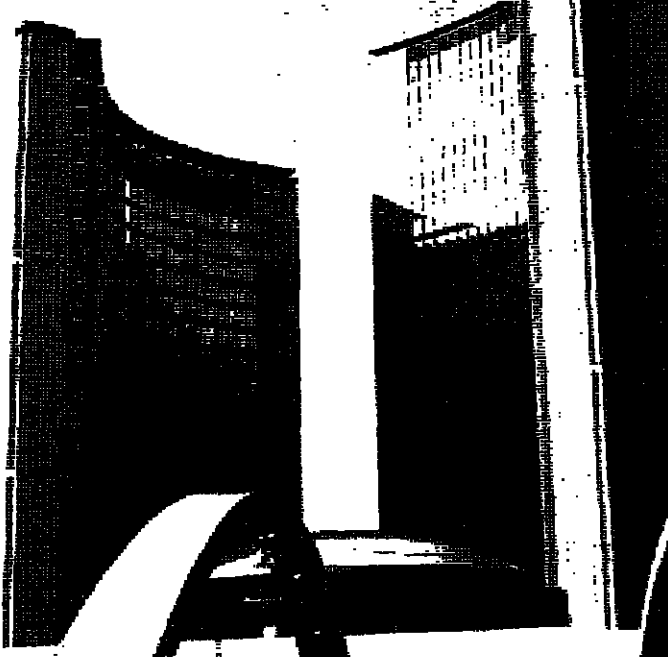
But despite the overcrowding, pressures and strains of big city life, the people of Hong Kong show

a cheerful capacity for hard work, a dynamism and initiative almost unique in tropical countries.

"We know hard work combined with luck can mean big rewards," says one local industrialist. "You start, say, by renting a machine and making arms and legs for plastic dolls as a sub-contractor. When the firm you're supplying gets bigger orders you share in the good times. You acquire your own factory and buy more machines on hire-purchase, make your own contacts with overseas buyers. The end of a hundred months is the big time. If things get tough, you go back to a factory job until you're ready to try again."

If a man can't grow rich himself, he'll pin his hopes on his children. There's enormous pressure in Hong Kong to get children into good schools and force them through examinations. Children start learning their Chinese characters at the age of three or four.

Southern Chinese — and that means most Hong Kong people — are known as intense individualists. Trade unions play a little part in industrial life. Every man looks forward to the time when he will be his own boss. This gives to daily Hong Kong life an intangible quality but also an intangible sense of energy and liveliness. There are no more wide-eyed people in the world than the Hong Kong Chinese.



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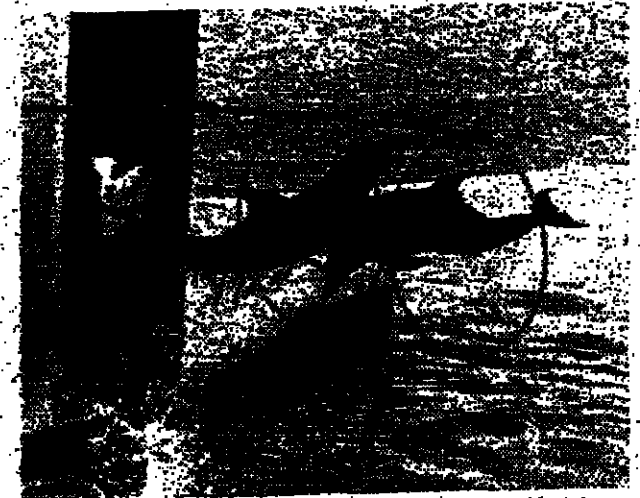
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Dolphins are a major attraction for tourists at Ocean Park aquarium



Transport Shifts to 'Modified Initial System' of Underground

By Harvey Stockwin

HONG KONG (IHT) — For four years, Hong Kong has been energetically trying to reduce its urban transport noise and congestion by temporarily increasing both hazards. Roads have been dug where the traffic is densest. Drills and other construction equipment have added to the din around the clock in a city where noise pollution is already considerable. Mass transit by bus, streetcar and minibus has been slowed amidst lengthening traffic jams.

All this, in order that mass transit by rail will be cooler, quieter, and quicker. Now comes the payoff for the inconvenience. On Oct. 1, regular services will start on part of Hong Kong's "modified initial system" of underground railway. At a time when other mass transit systems have experienced heavy cost overruns and construction delays, Hong Kong's first subway is a notable achievement. The Hong Kong system has been built to schedule, is opening on time, has avoided excessive cost, and will not be receiving endless subsidies from the government.

On the contrary, the Mass Transit Railway Corporation is opening by doing some subsidizing itself. Nearly 1,000 Hong Kong "fat cats" have paid 500 Hong Kong dollars each to ride an inaugural train on Sept. 30. Another 100,000 have paid 10 dollars each to sample the system later the same day.

First Line

The Hong Kong "community chest" will benefit from the proceeds. In part, that is for all the inconvenience caused by the construction. But from Oct. 1, the MTRC will have to act as its charter requires — "according to prudent commercial principles." The subway is expected to make profits sufficient not merely to cover running costs, but also to pay back the commercial and international loans which have financed the project.

The first line is 15.6 kilometers long, has 15 stations (three above ground) and cost 5.8 billion dollars. The second line, to the north-west of Kowloon and beyond — the

Tsuen Wan extension — is already under construction, has 10 stations, is 10.5 kilometers long, and will cost 4.1 billion dollars. When the extension is completed in 1982, 10 billion dollars will have built 27 kilometers of track and 25 stations.

The hopes for profit, and the vast problems the MTR faces, are summarized by a simple contrast. Hong Kong's subway will be moving an estimated 1.8 million people a day by the mid-1980s. The far longer Underground in London (at least six times longer) only moves 1.5 million people a day. Put another way: when the Washington, D.C. Metro opened in 1977, it had already cost more than Hong Kong's first two lines — but it was only carrying the numbers expected to ride for charity in Hong Kong Sept. 30.

A single station of the Hong Kong system will have to handle more people in a day than does the whole Washington system. That station is Chater, the present terminal of the system in Hong Kong's central business district. Built where the old colonial-style post office once stood, it will have to handle around 300,000 passengers a day. But on Oct. 1, the subway will only link northern Kowloon with southeast Kowloon.

Most of the nine stations to be opened are in or near, heavily populated housing estates. On Jan. 1, the same line will extend to the part of Kowloon just across the harbor from Hong Kong. The trains will go through a submerged tunnel (similar to the one constructed earlier for vehicular traffic) under the harbor to Chater, and one other station, by the middle of February.

1982 Extension

This line is the modified initial system. The Tsuen Wan extension is scheduled to be completed by 1982. Other lines are a possibility in the future. Hong Kong's venerable double-decker trolleys may give way to a faster light-rail system, which will go underground, and link up with the MTR, around Chater.

Another line through east Kowloon, and out to the New Territories, has been mooted. If the decision is made to build a replace-

ment for Kaitak Airport on an island north of Lantau, then the Tsuen Wan link could be extended further to reach it. Immediately the key questions are — how will the initial MTR work and how will Hong Kong's populace adapt to it? Already, the trains are running continuously with a view to ironing any bugs out of the system well before the official opening.

The four-carriage trains look like a single long carriage from the inside, since no space has been wasted at the point where the carriages link. Because of the heat and humidity of Hong Kong's torrid summer, the whole system is air-conditioned which by itself created huge engineering and construction problems. At peak time, the trains

will run at two-minute intervals, but six minutes will be the longest any passenger should have to wait at any time — if all goes well. Total computer control of the system is possible. But after noting the difficulties experienced by mass transit systems, like the BART in San Francisco, the MTR has opted for a mix of manual and computer control to give greater flexibility.

Ultimately, the arbiter of the very considerable technical, engineering and construction achievements that have gone into the building the MTR will be market forces. MTR travel will be cheaper than taxis, but more expensive than all other forms of transport. An unanswered question is whether its Cantonese consumers will consider the subway ride a good buy. The

two lines being built have been designed to attract the maximum volume of traffic.

But new subways frequently change or affect travel patterns in ways that their planners do not not anticipate. The U.S.-made automatic change, ticket, and turnstile machines caused problems in San Francisco and Washington. Will they also be a complication in

Hong Kong? But the magnetic tickets issued by these machines are the MTR's head off an anticipated problem. The tickets, initially programmed to last 13 minutes. The corporation calculates that the MTR's air-conditioned might encourage some Cantonese to take their rest underground they do, they'll have to pay fares for the privilege.

Putting New Restrictions on Immigration From the Mainland

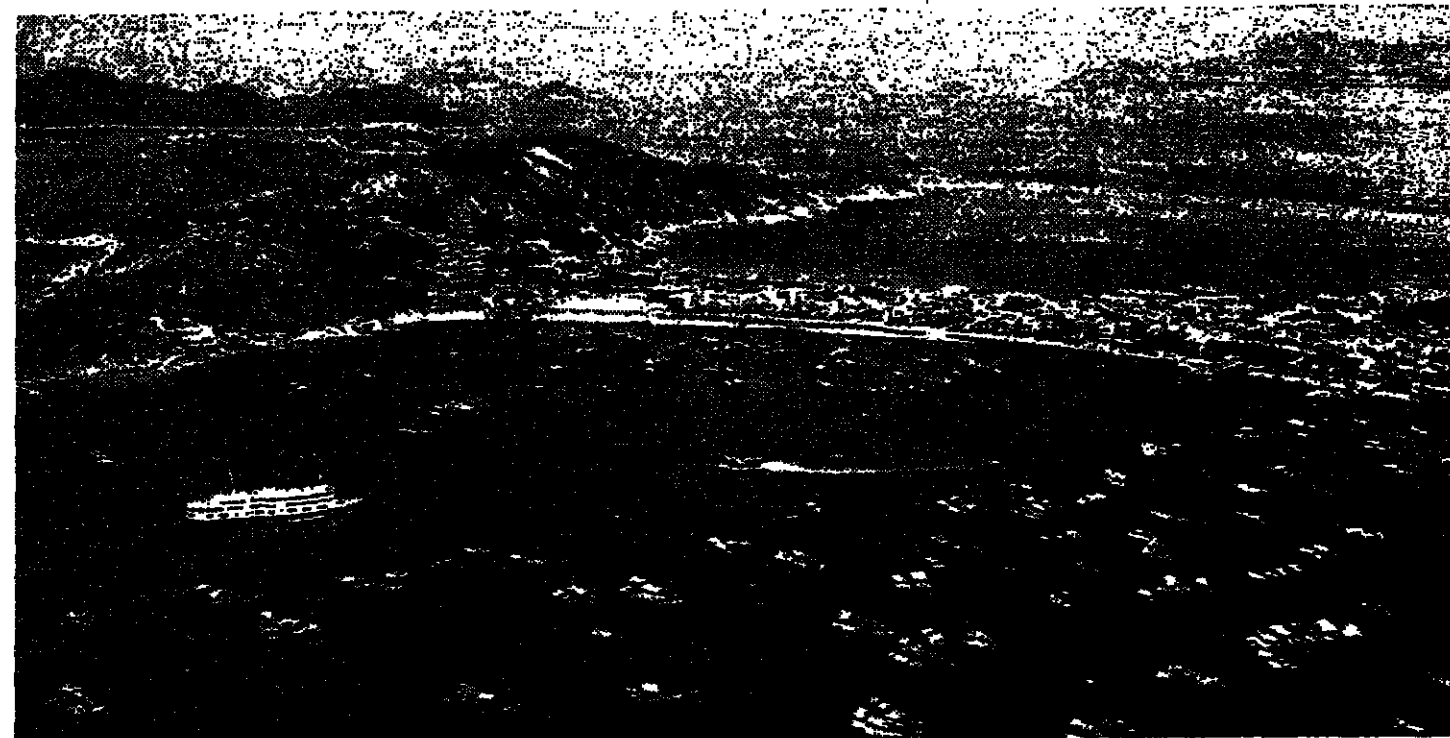
By Anthony Lawrence

HONG KONG (IHT) — In Hong Kong's 137 years of history, it has been the immigrants from the mainland who have built most of the factories, worked the mines and largely built the colony's prosperity. Without them, Hong Kong would have simply lacked the manpower and the industrial and entrepreneurial drive essential to success.

Now Hong Kong has enough people — nearly five million — and wants no more from China. But they still keep coming. And there have been times well within living memory when the influx has been so tremendous (notably in 1962 and in the past winter and spring) that it seemed to threaten eventual breakdown to Hong Kong's economy and essential services. Earlier this year, it looked as if within 12 months the population might be increased by a whole 10 percent. (About half a million if Vietnam refugees were included).

Now the situation has eased. But still in the past 12 months, Hong Kong has acquired many scores of thousands of new citizens — mainly youngsters in their late teens and early twenties — who've had plenty of problems to face and also given many headaches to the authorities.

These are the so-called illegals who have left China without permission. Earlier this year, they were pouring into Hong Kong at an estimated rate of 1,000 a day. This influx was additional to the controlled movement of legal immi-



grants, who had left China with official exit permits. The legals were sometimes overseas Chinese who had returned to China 20 or 30 years ago to help Chairman Mao

reconstruct the fatherland but had tired of the effort and were allowed to leave. Others wished to join relatives in Hong Kong and elsewhere. They are now arriving at the rate of 40 or 50 a day. They are accepted

by the Hong Kong authorities who wish to maintain present excellent relations with Peking, but they try to limit the immigrants stay wherever possible.

It's a very different reception for the illegals. They know that if caught by the Hong Kong security forces along the border, they are likely to be handed back without delay. And though their punish-

ment by their own authorities will be surprisingly light, perhaps a week in a labor camp, it's still a black mark against them and their only hope is to try again. But many swimmers have been caught by sharks, and so far this year, at least 270 bodies believed to be those of illegals have been taken from Hong Kong waters.

Alarmed by the dramatic increase in illegals earlier this year, the Hong Kong government stepped up border surveillance and more British troops were flown out from the U.K. And the Chinese

government, responding to appeals from Hong Kong governor, Sir Murray Maclehoze, drafted units of the PLA's 42nd army to seal the border from the Chinese side. This has drastically reduced the numbers of illegals trying to cross, though just recently there's been a new attempted influx by illegals using mainland fishing sampans.

Who are the illegals? Most of them are young people, with men outnumbering women 10 to one) who come from the villages of South China or from the provincial capital, Guangzhou. Some of them

are former city-dwellers who have been sent down to the countryside because of the lack of jobs in and they see no future in life. They have heard that in Hong Kong there is money to be made and shops bursting with luxuries. And so they decide to give it a try.

If they succeed in getting the security patrols to the back areas of Hong Kong and a few days later, they can apply for an immigration card and start looking for work. The authorities say it's better to catch the illegals after a few days than face the problem of considerable numbers of people living the run.

Nearly all immigrants from mainland have relatives in Hong Kong who will shelter them for a few weeks. After that the prestart. Mainland youngsters are used to working as hard as Hong Kong people and they find Hong Kong factory conditions exciting. They have difficulties in finding somewhere to lodge. The been taught the Communist abbreviated Chinese character find it difficult to read Hong newspapers, which follow a style. Some drift into crime. voluntary agencies try to catch them shortly after arrival and them on Hong Kong cond jobs and possibilities. Some have gone on to the United States: times of political persecution this channel is likely to be now that the United States China are on such friendly terms.

Fortunately, there is a shortage in Hong Kong and has meant that the young grants from China can at least port themselves. If recessed Hong Kong, the immigrants present a disturbing problem.

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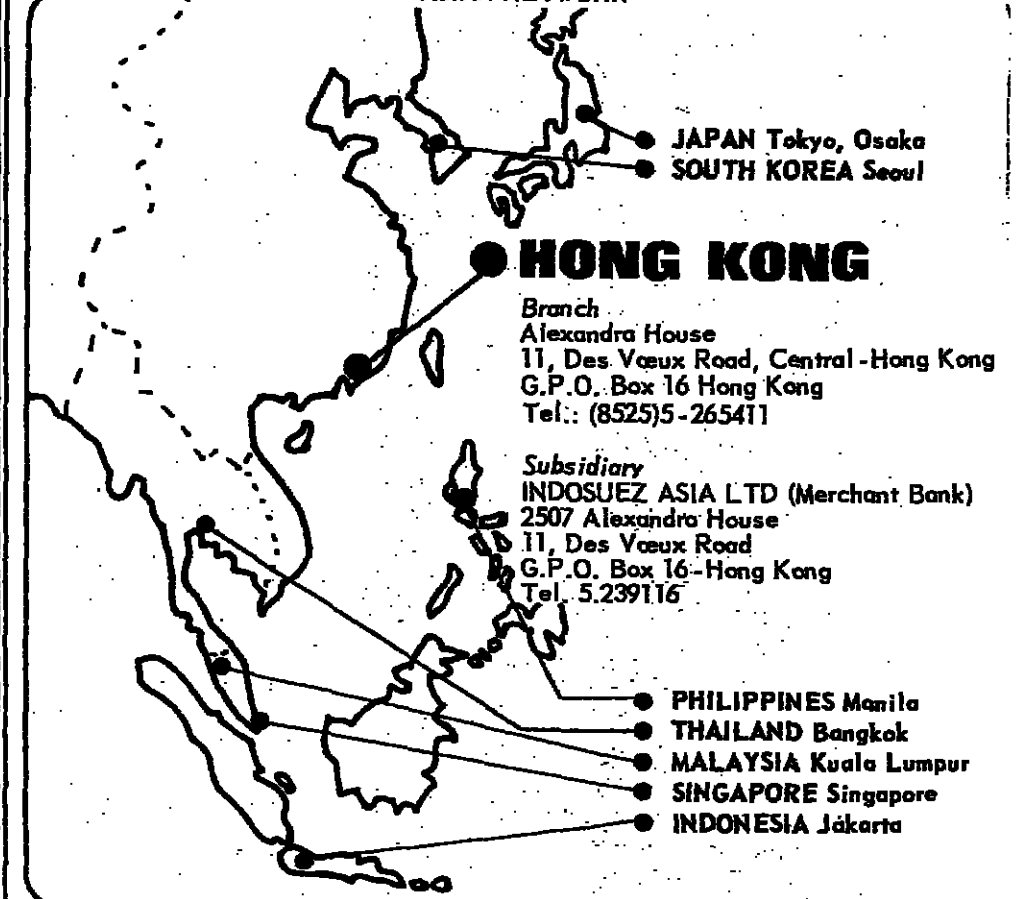
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Hong Kong Lends a Helping Hand to China's Modernization

Thomas D. Gorman

HONG KONG (IHT) — "Our workers are Chinese. Hong Kong is just a few miles from the mainland. Yet their wages are many times higher than those in China. After discussion with the Chinese government, we have decided to adopt a new wage system."

Comments by a Chinese official in Kwangtung province state only one of the reasons for Hong Kong's making to China's four modernizations program.

One of the most obvious reasons for Hong Kong's making to China in its present role for four main reasons. First, Hong Kong is a channel for 50 percent of China's foreign exchange earnings. Second, Hong Kong is a commercial laboratory. Peking-controlled and -financed enterprises can function in a capitalist environment, providing a valuable lesson in the use of market forces. Third, as a window on the world, Hong Kong provides information on the latest in technology, transportation, and other facilities. And last, as a buffer in the event of Sino-Soviet conflict. Until recently, the official view was that on the termination of the Sino-Soviet alliance in 1977, China might be left with no buffer in the event of a Sino-Soviet conflict.

Hong Kong faces the 1980s, no ammunition is left to this argument. In addition to the traditional factors, new are emerging which will enhance Hong Kong's long-term importance to China. In China's pragmatic economic planners cannot help but see Hong Kong as the soundest business position on the horizon. Exchange earnings through a variety of old and new activities — banking, real estate, tourism, manufacturing, and retail operations — are soaring at a time when essential for financing the modernization of the country.

The geopolitical perspective of Hong Kong's role in the modernization of China makes Hong Kong more important as a buffer zone of absorbing and refugees.



By mid-1979, Hong Kong Chinese entrepreneurs were engaged in almost 300 compensation trade ventures in neighboring Kwangtung province alone. Compensation trade is a quasi-joint venture whereby the foreign partner takes payment on his investment through output of products produced for export. At least 70 of these ventures are in Shumchun, the newly established industrial and trade zone directly adjacent to Hong Kong's new territories, an area recently upgraded in administrative status by Peking and slated to play an important role in foreign trade. Income to Shumchun authorities from these 70 ventures, in the form of processing fees, will amount to some \$1HK30 million in 1979.

In addition to existing ventures in the light industrial and agricultural fields, many more are under discussion, including tourist resorts, hotels and restaurants, ship repair facilities and electronics factories. Hong Kong provides valuable input on management of Chinese industrial enterprises. Following early dissatisfaction with productivity levels in joint ventures involving Hong Kong firms in Kwangtung province, Chinese officials accepted the Hong Kong partners' view that worker incentives were of paramount importance.

Now most workers in compensation trade enterprises are paid strictly on the basis of monthly output. The wages of management staff are determined on a monthly basis by averaging the wages of the top ten workers in the factory.

Kwangtung province owes a great deal to Hong Kong for achieving a considerably greater degree of economic autonomy than most Chinese provinces enjoy. Hong Kong's role as an entrepot center and transshipment base for Chinese exports emanating from Kwangtung and other provinces has been essential in assisting Kwangtung to account for upwards of 20 percent of China's total two-way trade with the world.

Likewise, Hong Kong relies on Kwangtung for essential foodstuffs, drinking water, inexpensive consumer goods and machinery.

Hong Kong will soon provide a major source of energy to Kwangtung province through a deal with Hong Kong's China Light and Power Company whereby the Hong

Kong firm will generate electricity, most probably with coal imported from China, and in turn supply power to Canton and Shumchun at reasonable rates. Advances in the transport sector that have increased the economic interdependence of Hong Kong and South China since mid-1978 include: daily air service between Hong Kong and Canton, regular mini-container truck services, daily hovercraft services between Hong Kong and Canton's Whampoa Harbor, and a daily through train between the two cities.

Hong Kong is a highly attractive investment center from Peking's viewpoint. Recent expansion of

Peking-controlled or affiliated companies in the commercial and industrial real estate markets in Hong Kong has been matched by substantial new investments in luxury housing, a giant cement plant, and major new office complexes including an exhibition center for Chinese products.

Peking's attempts to court increased two-way trade with Taiwan might be wishful thinking at this point if it were not for Hong Kong's role as middleman. Re-exports of Taiwan-made consumer goods to the People's Republic through Hong Kong are soaring, with refrigerators, television sets, and textile piece goods leading the

list. Re-exports in the other direction continue to grow slowly, with medicinal herbs at the head of the shopping list.

Peking-controlled and affiliated enterprises in Hong Kong enjoy more favorable business conditions than in any other Asian business center, including Peking, from the viewpoint of taxes, services, business law and related concerns. The official agents and distributors of Peking-based foreign trade corporations have a great deal more flexibility in foreign exchange dealings and other matters than their principals, a factor for which their principals are no doubt grateful.

Peking has insisted that U.S. oil

companies involved in the search for oil in the South China Sea use Hong Kong as their operations base, despite established bases in Singapore. A similar situation will most likely prevail for companies involved in south China mineral exploration and recovery — which will benefit Hong Kong and open up new opportunities for service and supply operations.

The moral of the Hong Kong story from China's viewpoint through the 1980s, and well beyond, echoes the fundamental tenet of Peking's policy regarding foreign trade: "Mutual benefit; let's exchange your strengths and my weaknesses, and vice versa."

Colony Takes Up Conduct of Foreign Affairs

By Leo Goodstadt

HONG KONG (IHT) — Over the centuries, Britain has jealously guarded its colonies from conducting their own diplomacy. Foreign affairs have been strictly London's business.

During 1979, this imperial tradition was jettisoned as Hong Kong went into an international campaign to lighten its burden of Vietnamese refugees. Throughout the year, Hong Kong government officials have denounced in dramatic terms Hanoi's human rights abuses.

The pressure on the Crown Colony's officials to get involved openly in regional affairs. In the first eight months of 1979, the total number of boat people from Vietnam arriving in Hong Kong was 70,602, compared with only 9,996 for the whole of last year.

Hong Kong's governor, Sir Murray Maclehoze, has taken a team to Washington, London and Geneva to put the Crown Colony's case. Hong Kong's first objective has been to mobilize world indignation to induce Hanoi to halt the refugee flood.

The second target has been a fair share for Hong Kong of refugee resettlement places in Western countries. Here, Hong Kong has been in direct and successful competition with other major refugee havens like Thailand and Malaysia.

The traditional absence of overt diplomacy has not prevented the Crown Colony from lobbying Asi-

an capitals. The single most sensitive issue has been treatment of Hong Kong travellers. Southeast Asia has been deeply suspicious of Peking since the Communist victory in China in 1949. This mistrust has resulted in severe restrictions on ethnic Chinese in the region. Even holders of British passports issued by the Crown Colony are subject to discrimination on racial grounds. Hong Kong's immigration department has waged a protracted campaign to allay misgivings about Hong Kong visitors.

Unconvinced

The government of the Philippines has proved the most difficult to convince. In January, Manila, without prior notice, banned British passport holders of Chinese race from entering as tourists other than in groups of five. The Philippines government has offered only minor concessions after months of negotiations. Hong Kong suspects that corrupt Manila immigration officers are reluctant to surrender their powers to milk the ethnic Chinese.

Much more successful has been the Crown Colony's drive to foster regional cooperation to stem narcotics. Hong Kong's drug addicts consume an annual \$110 million. Supplies are smuggled in from the "golden triangle," mainly through Thailand, where a Hong Kong police office has been attached to the British embassy since 1973.

The payoff for the antinarcotics

drive has been a drastic reduction of drug supplies on Hong Kong streets, and a boom in attendance at addict treatment centers.

Southeast Asia has become a growing market for more legitimate commerce. Hong Kong's re-export trade has enjoyed a remarkable revival. By 1978, re-exports had risen 89 percent within four years, to reach \$2,639 million.

Just over a quarter of this trade consisted of products from China. The re-export boom reflects a massive upsurge in Asian demand for Chinese goods. A major barrier to China's exports in the Asian region is lack of diplomatic contact. Chinese relations with Indonesia were ruptured after the abortive Communist coup of 1965. Re-exports avoid diplomatic complications, and in 1978 allowed \$88 million worth of Chinese goods to reach Indonesian customers.

Rejected

Peking has made calls for direct commercial, tourist and personal links with Taiwan which Taipei has rejected. Nevertheless, in 1978, Peking pushed up its sales to Taiwan via Hong Kong by 53 percent to reach \$44 million.

Hong Kong's ability to act as a neutral trading ground between Asian states also reflects its role as "capital" for the 15 million or so overseas Chinese in Southeast Asia. Businessmen and officials in Hong Kong argue that these Vietnamese officials represent a significant

bridge with the Asia region for a Vietnam which has become increasingly isolated internationally.

For its part, the Crown Colony sees nothing abnormal in this arrangement. After all, other Southeast Asian nations have been welcome to exploit Hong Kong's diplomatic neutrality to normalize relations with Peking.

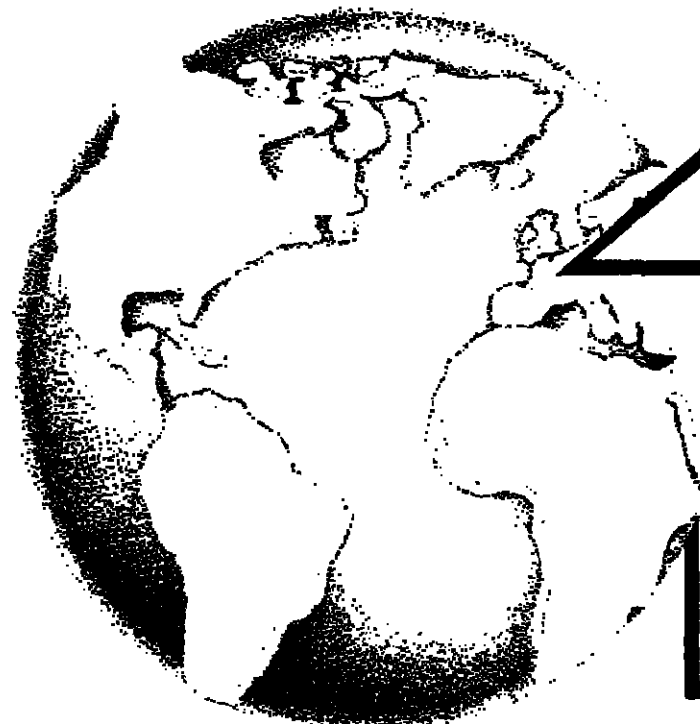
Though Hong Kong families may be divided by national rivalries and international disputes, they can maintain physical contacts. Asian businessmen can use their overseas Chinese links to Hong Kong to evade import restrictions and foreign exchange controls.

This honest broker's role has been of special importance in the slow process of rebuilding ties between Peking and Southeast Asia. Singapore, for example, has still not extended diplomatic recognition to Peking. The Singapore government has managed to develop solid trade and political links with China through its contacts made in Hong Kong.

The potential contribution to the region's stability is brought out by the Vietnamese situation. China and Vietnam fought a war in 1979, and the Hong Kong government has denounced Hanoi bitterly over refugees. A Vietnamese government presence continues in the Crown Colony. Technically, Hanoi is only allowed to maintain a trade office but its staff is more than commercial representatives in practice.

HONG KONG WILL BE COMING TO EUROPE IN OCTOBER

The Hong Kong Trade Development Council invites you to meet with a Hong Kong business group visiting Europe from October 1-20, 1979. This business group, comprising leading Hong Kong manufacturers and exporters, will be mounting product displays in leading hotels in Paris, Zurich, Marseille and Barcelona. Products on display will include a wide range of items including electronic and electrical products, watches and clocks, toys, garments, jewellery, stationery, travel goods, cutlery and household items. Members of this business group will be happy to meet with businessmen interested in the products on display or in establishing trading partnerships. If you wish to know more about this business group visit, please contact the H.K.T.D.C. offices listed below.



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Dynamic Economy a Pacesetter in Push for Modernization

(Continued from Page 7S)

nied a consulate, few Russian tourists obtain a visa, and Russian ships are carefully watched. When the Moscow Narodny Bank in Singapore came within sight of owning Hong Kong land as a result of a foreclosure, deft Hong Kong footwork speedily made sure this did not happen. For Hong Kong, a governorship by Mr. Heath would also give a boost to its own growing but frustrated sense of self-importance. The fact that Hong Kong is an economic entity, and a political nonentity, means it does not develop an identity and lacks a sense of community.

So another Hong Kong paradox is that it retains a nondemocratic structure, yet cannot be as forcefully authoritarian as Singapore, either. Conceivably a skilful former politician would be more adept at maneuvering in this political cul-de-sac. Meanwhile, Hong Kong remains, in the phrase of the Prime Minister of Singapore, Lee Kuan Yew, a place where "anything goes" for better and for worse. Yet when all is said and done, Mrs. Thatcher may well decide to further extend the term of Sir Murray MacLehose (he has had several extensions already) on the sensible

Hong Kong's phenomenal growth, from a bedraggled outpost in 1945 to a thriving metropolis of nearly 5 million, had long been without serious inflation

grounds that he has already frequently displayed the required qualities. During Sir Murray's 1971-1979 stewardship, and under the guidance of financial secretary Philip Haddon-Cave, Hong Kong has weathered all the economic vicissitudes and kept pace with East Asia's other economic success stories — South Korea and Taiwan. There may be more extremes of wealth in Hong Kong than in South Korea or Taiwan but Hong Kong's wealth is now better distributed, as more and more of the populace become active participants in a consumer society.

Under Sir Murray's aegis — and in response to pressure from Britain and protectionist-minded states — welfare economics have mixed with the ongoing loyalty to market forces. One reason for the Hong

Kong resentment at the influx of legal and illegal immigrants from China was because it was felt that it would further postpone the successful distribution of better housing for all. Vast strides have nevertheless been made in the last decade in improving Hong Kong's quality of life, to an extent unimaginable 10 years ago. The influx from China required deft pressure on China to itself restrain the outflow. Sir Murray brought this issue up with among others Chinese Deputy Premier Deng Xiaoping when he became the first Hong Kong governor to pay an official visit to China.

Conversely, pressure had to be brought to bear on Britain to increase its garrison here for border patrol duties — with Hong Kong of course picking up the tab. Likewise

Hong Kong's overcrowded Vietnamese refugee camps ran up against Mrs. Thatcher's disposition to further limit immigration into Britain. Pressure and public outcry resulted in a belated British promise to take 10,000 Vietnamese refugees from Hong Kong over the next three years. The United States has promised via Vice President Mondale to be taking 2,000 a month by the end of this year.

Civic Feeling

This latter trait leads to civic irresponsibility such as that displayed by mindless rubbish dumpers, rude or hostile shopkeepers and avaricious landlords. There cannot be any "Hong Kong nationalism" so Hong Kongites develop a kind of vicarious national pride around projects and events such as the oceanarium at Ocean Park, the billion Hong Kong dollar race course recently built at Shatin and the new mass transit railway. Pride was also taken in the performance of Sir Murray on the international scene as a result of the Vietnamese refugee crisis. Any governor of Hong Kong is denied two important options as possible antidotes to the lack of "national" feeling. Unlike Prime Minister Lee in Singapore, he cannot compel internal political unity nor push for national identity. There are even limits on how much compulsion he can bring to bear to create civic-mindedness. The governor is also stuck with a colonial constitutional format which, in all but the most backward colonies, was already passe well before World War II.

Whoever is chosen governor faces an increasingly demanding job. Hong Kong's phenomenal growth, from a bedraggled outpost of 500,000 in 1945 to a thriving metropolis of nearly 5 million, had long been without serious inflation. Now double-digit inflation has arrived, threatening numerous economic and social complications. Hong Kong's industries, particularly textiles, face ever increasing protectionism and require that the colony bargain hard for its interests, even though it often has to do so from inside a British delegation.

If the new governor serves a five-year term, he will be in office when the unsolved issue of the new territories lease begins to erode investor and business confidence. Mr. Deng told Sir Murray in Peking that the minds of investors should rest "at

ease," but Western legal logic still conflicts with even the most forthright Chinese assurances. That logic requires specific guarantees. Even if Chinese politics are stable, Peking would be understandably reluctant to be specific on, say, a further lease period. For a start Chinese political logic does not even recognize the lease. In the Chinese view it was "an unequal treaty" and all such treaties are null and void.

As both Chinese-Japanese and U.S.-Chinese relationships, particularly economic ones, widen and deepen, the prospects are that the political curiosity called Hong Kong will, given wise management, be around for a long time to come. So a final irony: thirty five years after President Roosevelt advised the British to hand Hong Kong back to China, the belated normalization of U.S.-Chinese relations gives China added reason for retaining a legacy of an unequal treaty and China is happy to observe Vice President Mondale extolling the virtues of the U.S. 6th Fleet in Hong Kong harbor. Mr. Mondale was on the 60,000-ton aircraft carrier Midway. Symbolically, Britain's four tiny minesweepers, the final remnant of the royal navy's China fleet, were not in sight at the time.



Myths and money come together in practical form of series of new bank notes issued by Chartered Bank

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Oil Fever Is Spreading to Property Market

HONG KONG (HT) — "One hundred twenty flats wanted at any price," read the headline. The oil exploration business has a free-spending reputation that is well-deserved. But in this particular case, the normally sedate South China Morning Post appears to have caught Hong Kong's latest malady: oil fever.

By Hong Kong standards, \$2,000 does not buy luxury accommodation. The "at any price" part of the headline was undeserved. So, it appears, was the figure, 120. "It's only 60 flats," said Patricia Burchell of Hong Kong's Ashby Realty, "and not until next year." Without naming names, however, Mrs. Burchell did confirm that oil-related companies are entering the property market. Moreover, some are willing to pay up to \$4,000 a month on accommodations for senior staff.

A flurry in upper-end real estate is just one indication of how Hong Kong is awakening to the fact that an oil exploration boom may be about to happen in Chinese coastal areas surrounding it. Amoco, Atlantic Richfield, Mobil, Exxon, Caltex and Phillips have recently signed seismic surveying agreements with China for areas from Hainan Island to the Taiwan Straits. Further north off Shanghai and beyond, British Petroleum and Elf Aquitaine also have agreements. Seismic work began this summer. Exploration contracts have yet to be negotiated, but experts here believe the first wells by foreign companies could be spudded before the end of next year.

"You need supplies for exploration and confirmation drilling, and there is no way they can all be provided from Canton," said Jayson

Mugar, a close follower of China's oil developments and Hong Kong representative of Union Bank of California. "Within 6 to 12 months," said Mr. Mugar, Hong Kong should be bustling with supply vessels.

According to other sources, one of Hong Kong's major banks has been talking to potential investors about a logistical support base for South China Sea exploration, for the northwestern end of Tsing Yi, one of Hong Kong's satellite islands slated for industrial development.

Hong Kong United Dockyard already has considerable oil-related experience. It converted the world's largest drillship, Taimaron, in 1974, and has built several single-point oil-production mooring systems for the Los Angeles-based company, Imoco. One of these, still in the

dockyard, is rumored "on stand for China."

Sen. Henry Jackson, D-W recently returned from China, word that the Chinese already their first offshore discovery in South China Sea, in an area Hainan Island. Some Hong Kong-based companies, like Caterpillar Far East, for example, have contracts to supply equipment China's offshore drilling effort.

Earlier this month, E.R. Li senior vice-president-finance Dresser Industries of Dallas, announced here that his company would soon be opening an office Hong Kong to cater to the world's last suppliers of oilfield products equipment. According to Luter, it has already done a worth of business with China rectly from the U.S.

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Herald Tribune

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Page 15 Monday, September 17, 1979

BUSINESS/FINANCE

From market: Banks Launch Note for Fiat

By Carl Gewirtz

Sept. 16 (IHT) — Syndicated loans and Eurobonds, not parts of the Euro market into one last week as Fiat at terms most considered a disguised syndicate.

Sept. 16 (IHT) — The official campaign to control the expansion of private international credit through the Euro market moved into a new phase today with the International Monetary Fund effectively warning commercial banks to tread carefully because "more countries" are likely to encounter debt servicing problems.

In a gloomy assessment of the world economy, the IMF warned in its annual report issued today that nonoil-developing countries now face "debt service charges that are rising faster than the debt itself, and faster than export earnings."

The IMF estimates that the combined current-account deficit of the NODCs will rise to \$43 billion this year, from \$31 billion last year and \$21 billion a year earlier.

This year's shortfall "would appear to be high in terms of relationships to such relevant magnitudes as world trade, total output of the NODCs, or the aggregate value of their imports," it said. "The nature [of the projected increase] gives as much cause for concern as the size." It added.

It estimated that \$16 billion of this year's \$22-billion increase in the NODC deficit is due to a deterioration of the terms of trade (export prices falling to keep pace with prices of imports) and \$6 billion reflects increased net payments of interest and other forms of investment income.

"The prominence of interest charges and deterioration of the terms of trade in the rise of the deficit of the NODCs since 1977 is a cause for concern, since these factors have been absorbing borrowed funds without increasing the real flow of external resources for development," the IMF said.

The fund urged these countries to develop policies establishing "an environment attractive to foreign investment" and called on all major industrial countries to improve their official development assistance and to take all feasible steps to increase their position as capital exporters.

It would also prefer to see greater use made of its own resources. The fund has been bypassed because of the strings attached to its loans. The IMF said:

"While the renewed official interest in the supervision of international (Continued on Page 19, Col. 1)

Syndicated Bank Loans

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"While the renewed official interest in the supervision of international (Continued on Page 19, Col. 1)

Silver, Gold Pushed to 4th Record Week

By Sue Shellenbarger

NEW YORK, Sept. 16 (AP-DJ)

Speculative profit-takers and investors seeking an inflation hedge pushed silver and gold to new highs last week for the fourth week in a row.

Paced by the precious metals, futures prices for grain, soybeans, coffee, cocoa and sugar all increased, while cotton futures fell under the weight of a big government crop prediction.

Silver Frenzy

The metals markets were the center of attention as analysts struggled to explain the unprecedented six-week rally.

A continuation of the last three weeks' frenzied silver-buying by trade houses, and by investors and speculators through brokerage houses, carried silver futures to a closing spot price of \$13.35 an ounce on New York's Commodity Exchange, \$1.43 an ounce higher than the previous week.

Gold for delivery this month closed at \$345.40 an ounce, up \$7.90 from last Friday. Copper and platinum futures, lacking investors support, closed lower for the week.

Although the continuing ascent of interest rates led market analysts to predict a money crunch, the week's economic news offered little reason to suspect a slowing of inflation. U.S. car sales rose, the money supply surged and business loan demand rose. Also, Nigeria, a major supplier of oil to the United States, seemed poised to raise its oil prices above the \$23.50-a-barrel ceiling imposed by Organization of Petroleum Exporting Countries.

None of the news items taken alone resulted in a continuation of the rally. Instead, analysts said, a change in the economic climate has led to an extensive shift, apparently by large-scale investors, from paper currencies into precious metals, whose value seems less likely to erode as a result of money troubles or governmental actions.

The frenzy has been compounded in silver trading by fears among professional traders of a "squeeze," or absorption by a single large speculator of a large proportion of the world's warehouse silver stocks of 120 million ounces. No such squeeze has been evident yet on the nation's major exchanges. That persistent market speculation was heightened by a bullish long-term outlook for silver, analysts said.

The House Armed Services Committee, reacting to the market trend, recommended retaining the whole of the government's 139.5-million-ounce silver stockpile, instead of urging sale of 15 million ounces as had been expected.

Grain and soybean futures rose on the Chicago Board of Trade. Spot wheat futures rose 12 1/2 cents per bushel, corn for delivery this month rose 4 1/2 cents per bushel and September soybeans gained 19 1/2 cents a bushel.

Soybean Grain Output

Prices drifted higher early in the week on talk that a cold front would move soon into northern states of the corn and soybean belt but those frost fears had diminished by week's end.

But the Agriculture Department, in its crop report Wednesday, unexpectedly cut its estimate of Soviet grain production by 5 million metric tons to 180 million metric tons. The department also predicted a smaller-than-expected soybean harvest at 2.17 billion bushels, still a record but less than expected by traders, and a world grain harvest 9 percent smaller than last year's.

The department's corn crop estimate came in about as expected, at a record 7.27 billion bushels. The total wheat crop estimate was reduced by 10 million bushels to 2.12 billion bushels, which would be the second largest harvest. Traders assessed the figures as slightly bullish for soybeans and wheat. They said reduced Soviet and world grain output would not affect total U.S. grain exports this year.

Year-end soybean supplies are likely to grow, but feed grain supplies are likely to shrink despite record corn production, the department said, because of bigger corn exports and feed-grain use.

Canadian Fall

In other developments, Canadian officials predicted that this year's Canadian wheat crop will fall 17 percent short of last year, but the report had only slight market effects.

On the Chicago Mercantile Exchange, September live cattle and hog futures both fell 0.18 cent per pound. Steers to finish cash prices offered little technical and commission house selling in cattle. By Friday, a 332,000-head slaughter depressed prices.

Cotton futures fell 0.93 cent a pound during the week. The Agriculture Department predicted a 14.3-million-bale harvest this year, much larger than expected by trade sources, who immediately were skeptical.

Coffee futures rose 8.3 cents a pound and sugar futures gained 0.37 cent a pound.

Growing Perception

Other analysts suggested that the essential reason behind the improved behavior of the stock market lies in the growing perception that the Federal Reserve Board, under the leadership of its recently named chairman, Paul Volcker, is pushing interest rates higher with the determination of eventually bringing this nation's high inflation rate under control.

It was a week when some little-known stocks fared far better than their big-name counterparts. One standout was Hess's Inc., a Philadelphia department store chain, which rose 70 percent in price on Thursday, thereby marking a single-day price surge of 70 percent.

What sent Hess's stock flying 10 1/2 points that day to a closing at 25 was an offer of \$25.70 a share from a privately owned developer of shopping (Continued on Page 19, Col. 3)

New York Stock Market

By Vartan G. Vartan

NEW YORK, Sept. 16 (NYT) — Two of the Dow Jones industrial average's most prominent components, the International Business Machines Corp. and the American Telephone and Telegraph Co., sold last week at their lowest prices within the last 12 months.

But despite this potential psychological dampener, the blue-chip Dow staged a brisk 8 1/2-point rally Friday and finished the week at 179.10 for a net gain of 4.95 points. In the previous week, the average fell 1 1/2 points.

The late-blooming rally placed the Dow within striking distance of its Aug. 31 closing at 187.3, which represents a high since last October.

The market moved ahead in the face of what Wall Street in the past has regarded as fundamentally bad news for equities, namely a peak price for gold bullion and a record high for the prime lending rate. By Friday, many major banks had lifted their prime rate to 13 percent.

Asked to explain the apparent paradox between rising stock prices and such normally prohibitive developments, one Wall Street analyst observed: "It's weird, isn't it?"

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Over-Counter Market

Sales in 100s	High	Low	Last	Chg
AmGen	218	21	194	21 +1 1/4
Amstar	317	15	47	58 +1
Amstar	367	46	115	46 +1 1/4
Amstar	198	10	10	178 +1 1/4
Amstar	254	24	24	24 +1 1/4
Amstar	254	24	24	24 +1 1/4
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Amstar	254	24	24	24 +1 1/4
Amstar	254	24	24	24 +1 1/4
Amstar	254	24	24	24 +1 1/4

This advertisement appears as a matter of record only.

SEPTEMBER 1979

NIB

Nordiska Investeringsbanken

(Nordic Investment Bank)

Finnish Markkas 50,000,000

10 1/2 % Bonds of 1979 - 1989

Kansallis-Osake-Pankki

Union Bank of Finland Ltd.

Postipankki

Okobank/Osuepankkien Keskuspankki Oy

Skopbank

Bank of Helsinki Ltd.

This announcement appears as a matter of record only.

The Republic of Ecuador

\$100,000,000

Ten Year Loan

Managed By

Loeb Rhoades Shearson International Limited

First Chicago Panama S.A.

International Mexican Bank Limited

Midland Bank Limited

The Mitsui Trust and Banking Company, Limited

The Sumitomo Bank, Limited

The Yasuda Trust & Banking Company, Limited

Provided By

The First National Bank of Chicago

International Mexican Bank Limited

Midland Bank Limited

The Mitsui Trust and Banking Company, Limited

The Sumitomo Bank, Limited

The Yasuda Trust & Banking Company, Limited

Bank of British Columbia

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Bank of Tokyo and Detroit (International) Limited

Dai-ichi Kangyo Bank Nederland N.V.

Dai-ichi Kangyo Bank (Schweiz) A.G.

Irving Trust Company

Mellon Bank N.A.

Midland Bank France S.A.

Midland Bank Trust Corporation (Jersey) Limited

Mitsubishi Bank (Europe) S.A.

Nippon European Bank S.A.

The Royal Bank of Canada International Limited

The Saitama Bank, Ltd.

The Taiyok Kobe Bank, Limited

The Tokai Bank, Limited

UBAF Arab American Bank

U.B.A.E. — Union de Banques Arabes et Européennes S.A.

Union Trust Company of Maryland


Agent Bank

International Mexican Bank Limited

—INTERMEX—

July 1979

American Exchange Options

[illegible]

**US \$
40,725,000,000**

For instance, ABN has over 700 branches at its home in Holland, plus offices in major trade and commercial centres in over 40 countries on five continents.

So ABN can assist clients almost everywhere in the world with a complete range of financial services – from import/export financing, international loans and foreign exchange, to letters of credit and a host of other activities.

But we like to think our most valuable asset is our personnel. Friendly and courteous, yet competent and

expertise. Knowledge they take pride in sharing with our clients.

No wonder ABN ranks among the world's most prominent international banks. And has total assets of US \$ 40,725,000,000*.

*Rate of exchange 6-30-'79 US\$ = f2.03.

ABN Bank

ABN people are ready to serve you almost anywhere in the world.

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The ABN Bank has offices and affiliations in: The Netherlands, Ireland, England, Channel Islands, Belgium, France, Federal Republic of Germany, Switzerland, Gibraltar, Italy, Greece, Turkey (Hollantis Bank - Ünl), Morocco (Algemene Bank Marokko S.A.), Kenya, Lebanon, Saudi Arabia (ABank Alsaudi Alhollandi), United Arab Emirates, Bahrain, Pakistan, India, Malaysia, Singapore, Indonesia, Hongkong, Japan, South Korea, Australia, United States of America, Canada, Netherlands Antilles, Suriname, Venezuela (Banco Continental S.A.), British West Indies, Panamá, Colombia (Corporación Financiera Internacional), Mexico. Operating under the name Banco Holandes Unio

New York Stock Exchange Weekly Bond Sales

[illegible]

Foreign Bonds

[illegible]

NYSE Averages

Week Ended Sept. 14, 1977		
	High Low	C
Trust	69.33 68.27	67.33
Transp.	53.07 51.49	53.88
Re.	26.43 25.59	26.50
Finance	67.65 66.87	67.50
Composite	61.58 61.29	62.00
Standard & Poor's		
S Indust.	122.32 119.64	121.25
S Transp.	51.55 50.59	51.15
S Util.	51.53 51.11	51.51
S Finance	73.43 73.22	73.41
S Stocks	188.76 187.51	188.76
Dear Jones		
S Indust.	679.34 669.71	679.30
S Transp.	266.54 261.75	266.50
S Util.	317.17 312.80	318.00
S Stocks	318.54 316.89	318.54

Bank Stock Quotation

(Closing Prices of the week's trading.)	
Boardsmen	20
Continental Trust Co.	20
Detroit Bank Corporation	18
Fidelizec Inc.	16
First Md. Banc.	20
First Nat. Chs.	20
Cleveland City	20
First Nat. Bank	20
Ind. Nat. Bank & Trust Bldg.	20
Lincoln First Bank	20
MetLife Nat. Bank Pitts.	20
Nat. City Corporation	20
Cleveland Nat. Bank	20
Prudential Nat. Corp.	3
Pitts. Nat. Bank	3
Prax. Nat. Corp.	3
Summit Nat. Bank	3
U.S. Nat. Bank	3
U.S. Trust New York	2
Un. Va. Bankshares	2
Virginia Nat. Bank	1

To manage money matters for a forest products giant like Weyerhaeuser, a man must be as growth-minded as his company.

His banker must be the same.



Edmond van Wijngaarden, Director Treasurer's
Department-Europe, Weyerhaeuser Company.

As a recognized leader in modern forest management, Weyerhaeuser has rightfully earned its reputation as the "tree-growing company," and in the process has grown into an international organization with decided financial strengths.

One of those strengths, internationally, is Chemical Bank and Chemical bankers.

For instance, to service Weyerhaeuser customers in Europe and the Middle East, Weyerhaeuser's European Treasurer's Department and Chemical Bank Brussels have built up an international collection program. It has the flexibility needed to accommodate a wide range of customer requests.

Weyerhaeuser Director Treasurer's

Department-Europe, Edmond van Wijngaerden and Chemical banker, Jean-François Noël, improve on this tailor-made system continuously.

Every day, a variety of forest products leaves the West Coast of the USA and Canada for delivery anywhere from Antwerp to Alexandria. And Noël helps smooth the way for the Weyerhaeuser customers' everchanging multi-million dollar credit arrangements.

Noël is only part of the customer-banker relationship. Another part is William H. Adams, head of Chemical Bank's San Francisco regional headquarters. As a main link with Weyerhaeuser's Treasurer William C. Stivers, Adams coordinates all groups in the bank as they relate to

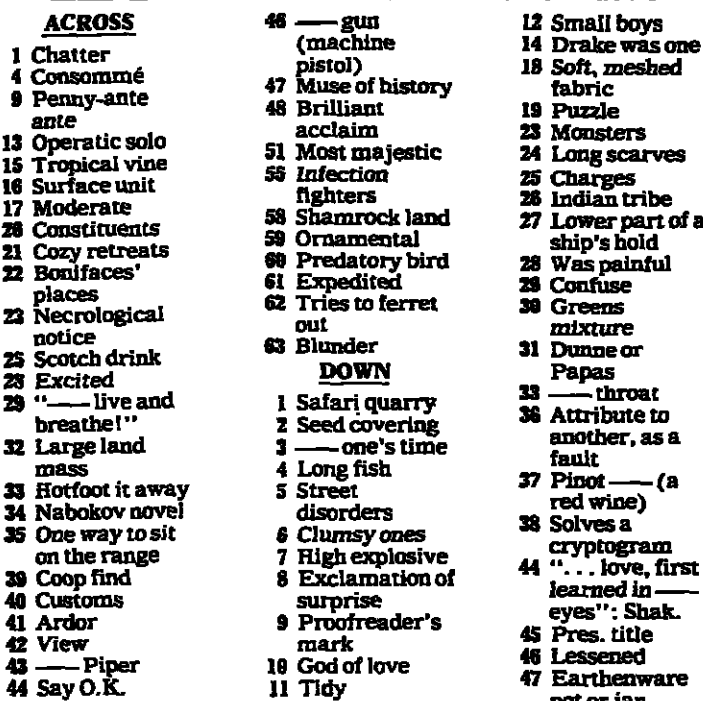
the company and has helped Stivers with foreign exchange, domestic and international collection, importing and financing arrangements; he has helped establish on-line communication through ChemLink, Chemical's financial management system, as well as computer-to-computer transmission of lock box information.

Whether the team is Stivers and Adams in the United States, or van Wijngaarden and Noël in Europe, they'll tell you that mutual understanding and respect are what make the relationship prosper. That's what usually happens when corporate officers get together with Chemical bankers. And what results is bottom line benefits for both the company and the bank.

The difference in money is people. **CHEMICALBANK**
 100 Wall Street, New York, N.Y. Our Worldwide Network: Abidjan, Bahrain, Beirut, Birmingham, Bogota, Brussels, Buenos Aires, Cairo, Caracas

Main Office: New York 17 • **Regional Offices:**
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Nassau • Paris • Rio de Janeiro • Rome • San Francisco • Sao Paulo • Seoul • Singapore • Sydney • Taipei • Tehran • Tokyo • Toronto • Vancouver • Vienna • Zurich

By Eugene T. Maleska



M	A	R	A	E	S	S	P	H	I	M	
T	E	M	O	N	V	E	E	A	F	O	R
A	D	I	N	E	I	A	M	A	R	O	
R	O	M	A	N	A	C	L	E	F	A	
C	A	N	A	S	T	A	T	O	R	N	
E	E	S	S	E	N	T	O	N	A	L	
P	E	R	M	E	D	E	P	O	M	O	
S	H	R	U	P	T	S	L	E	A	S	
F	A	L	T	I	E	S	D	O	E	N	
O	C	H	R	E	E	R	N	E	S		
R	E	D	S	G	O	U	L	A	S	H	
W	H	O	U	N	R	O	M	A	N	T	
R	O	M	A	N	E	A	L	I	D	O	
A	M	A	T	I	Q	D	E	N	A	M	
P	E	N	A	L	N	E	D	E	L	A	

A			C		
ALBANY	22	Fine	MADRID	25	Fine
AMSTERDAM	14 41	Fine	MAAMI	28	Cloudy
ANVERS	25	Fine	MILAN	26	Fine
ATHENS	30 56	Sunny	MONTREAL	18 41	Cloudy
BEIRUT	28 57	Fine	MOSCOW	13 35	Overcast
BERGLORE	14 37	Cloudy	MURKIN	18 34	Fine
BIRMINGHAM	13 35	Cloudy	NEW YORK	18 34	Sunny
BRUSSELS	16 41	Fine	NICE	25 77	Fine
BUCHAREST	10 50	Overcast	OSLO	13 34	Overcast
BUDAPEST	19 39	Cloudy	PARIS	17 43	Fine
CASABLANCA	24 34	Cloudy	PRAGUE	18 37	Cloudy
COPENHAGEN	13 35	Cloudy	ROME	18 41	Mist
COSTA DEL SOL	26 79	Fine	SOFIA	11 32	Cloudy
DUBLIN	19 39	Overcast	STOCKHOLM	11 32	Cloudy
EDINBURGH	19 39	Overcast	TEHRAN	18 41	N.A.
FLORENCE	23 73	Cloudy	TEL AVIV	26 65	Mist
FRANKFURT	19 39	Fine	TOKYO	24 75	Fine
GENEVA	14 41	Rain	TUNIS	18 41	Fine
HAWAII	11 32	Showers	VIENNA	22 65	Fine
HOUSTON	—	N.A.	WASAW	15 35	Showers
ISTANBUL	14 41	Rain	WASHINGTON	26 68	Sunny
LAS PALMAS	24 75	Fine	ZURICH	16 41	Fine
LEISLE	23 73	Fine			
LONDON	19 46	Fine			
LOS ANGELES	20 68	Haze			

(Yesterday's readings in U.S. and Canada at 1700 GMT; Los Angeles at 2000 GMT; all others at 0000 GMT.)

Thunderstorm

Rain

Snow

Wind Direction

Warm Front

Cold Front

Occluded Front

Quasi-Stationary Front

DENVER, Sept. 16 — The national convention of the U.S. Protestant Episcopal Church was asked yesterday to bar practicing homosexuals from the priesthood, the Los Angeles Times reported today.

A proposed resolution, issued by the Committee on Ministry, said the general convention, the church's highest legislative body, "believes it is not appropriate for this church to ordain a practicing homosexual, or any person who is engaged in heterosexual relations outside of marriage."

The resolution was in sharp contrast to the recommendation of a report to the national convention by the church's Standing Commission on Human Affairs and Health, which urged that the 2.9-million-member denomination "enact no legislation" that would make homosexuality "an absolute barrier to ordination." The church is a member of the worldwide Anglican Communion.

The new resolution will be debated Monday by the House of Bishops, the upper unit of the church's bicameral legislative body. The House of Deputies, composed equally of lay and clergy orders, must concur for a measure to become church law.

The resolution would appear to permit ordination of *continent* persons of homosexual orientation who do not practice homosexual acts.

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f g h i

HOW COME YOU PUT TWO DOTS OVER THE "I"?

THOSE AREN'T DOTS... THOSE ARE EYES! HAVEN'T YOU EVER HEARD OF I'S EYES?

STICK AROUND! YOU MAY LEARN SOMETHING!

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Zep

MAY AN ENRAGED FERRET FIND HIS WAY UP YOUR PANTLEG.

MAY AN ESCAPED ELEPHANT PERFORM HANDSTANDS ON YOUR NEW ROLLS ROYCE.

THE CURSE EXCHANGE

THE CURSE EXCHANGE

THE CURSE EXCHANGE

© Fred Greenstein Inc. 1982

© 1993 by Universal Uclick, Inc. All Rights Reserved. **THEY WOULD IF THEIR HOME WAS A PRISON!** Jimmy Knepper

Panel 1: Boss: "I DON'T UNDERSTAND IT"

Panel 2: Employee: "ALL THE EMPLOYEES SEEM SO GRIM AND SURLY LATELY"

Panel 3: Employee: "THEY SHOULD THINK OF THIS PLACE AS THEIR HOME AWAY FROM HOME"

Panel 4: Employee: "THEY WOULD IF THEIR HOME WAS A PRISON!"

YEC! THE CHOW WAS SURE BAD TONIGHT

WHY DID YOU HAVE FOUR HELPINGS, THEN?

I DIDN'T HAVE FOUR HELPINGS! ONLY THREE!

ONLY THREE?

WELL, A MAN HAS TO SURVIVE

THERE GOES AN ALL-TIME GREAT SURVIVOR

HOOR WEE!

9-17

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Panel 1: A man in a suit and tie enters a bar. A sign on the door says "BAR". He says, "YOUR DINNER'S GETTIN' COLD."

Panel 2: A woman in a suit and tie, holding a briefcase, looks at her watch and says, "JUST A SEC. PET."

Panel 3: The man is now behind the bar, looking at the woman. He says, "PRACTICE, PRACTICE! YOU'D THINK I'D NEVER PLAYED BEFORE. 'OW MUCH PRACTICE DOES A DARTS FANATIC NEED?."

Panel 4: The woman is now behind the bar, looking at the man. She says, "ABSOLUTELY NO MORE."

417

HEY, TURNKEY...WHAT SAY WE BOTH BUST OUTTA THE PLACE?

WHAT IF WE FAIL?

THE WORD FAILURE IS NOT IN MY VOCABULARY

IT'S NICE TO KNOW I'LL BE HANGED WITH AN ILLITERATE

9-17

Garry Shandling

PANEL 1: AFTER TELLING ROY THAT KAY WAS TAKEN TO SURGERY FOLLOWING HIS PHYSICAL, THE LIEUTENANT CONTINUES HIS VERBAL LASHING.

PANEL 2: DOES IT MAKE YOU FEEL IMPORTANT TO BEAT A WOMAN?

PANEL 3: YOU'RE REALLY A CONTEMPIBLE PERSON, JASON. YOU WERE WILLING TO LET DAVEY PALDMAR GO TO A DOCTOR FOR SOMETHING YOU HAD DONE?

PANEL 4: DOCK HIM---AND THEN LET HIM CALL HIS ATTORNEY!

CAPTIONS: "DOCK HIM---AND THEN LET HIM CALL HIS ATTORNEY!"

© David Ben-Gurion, Inc. 1979

WHERE IS SHE?
IN THE LIVING ROOM.

OH, RICK, I KNEW THIS WAS GOING TO HAVE TO HAPPEN SOONER OR LATER. I'M SO ASHAMED.

DO YOU THINK SHE HATES ME?
I DON'T KNOW. I GUESS SHE'D HAVE GOOD REASON.

YOU'RE MAD AT ME, TOO, AREN'T YOU, RICK?
ME? NOT AT ALL. LOOK, I'M PLANNING DINNER. GOT ANY OTHERS?

9-77
G.B. Parkinson

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

A L O C K

P R U N S

C A H B L E

F E E D A C

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

WHAT THE CONVICT
SAID AS THE
RAIN CAME THROUGH
THE ROOF.

Answer here: THIS ☐☐☐ ☐☐☐☐
(Answers tomorrow)

Saturday's Jumbles: UNITY BLAZE FAIRLY TONGUE
Answer: What she never learned how to do—

"Registered as a newspaper at the Post Office"
"Printed in Great Britain"

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9-17

...AND THAT'S WHAT CAUSES INFLATION.

"DID YOU KNOW YOUR NOSE WIGGLES WHEN YOU TALK?"

CONFESSIONS OF A KNIFE

By Dr. Richard Selzer, Simon & Schuster.
Illustrated, 223 pp, \$8.95.

Reviewed by Christopher Lehmann-Haupt

"I HAVE BEEN around a lot of blood in my life," writes the surgeon-essayist Richard Selzer ("Rituals of Surgery" and "Mortal Lessons") in one of the lighter pieces in his new collection, "Confessions of a Knife." "Whole days and nights have seen me, neck and toe, imbued with gore." And he thinks nothing of that's his world, and welcome to it; all who dare enter here.

But it is not my world. My sympathies lie with the young surgeons he mentions in his "Appendix" (which, wittily enough, is about the human appendix, that "misplaced comma in an otherwise sensible essay")—the young surgeons who "are aware of the value of performing appendectomies and have to be relieved by "older sawbones."

Even more, I identify with the patients who lie supine for the ministrations of Selzer's scalpel. So I am stunned by his account of having to "travel" to the hospital only to discover a condition of pancreatitis that will kill the patient within a week ("The Absence of Windows"). I am appalled by his description of a woman tearing at her dress and screaming, "I'm reaching deep into her gut to pluck out the pain." ("Raccoon").

With life — to put things scale by rendering drastic ease artificial.

I see confirmation of everywhere in "Confession Knife." I see it in the grinning "The Mirror." I see it about an ancient island in who thinks that a piece of a living portrait of his father in the stillness of the Selzer's "Light" and "Hush." ("The Light") I see more reason to go young to suffer the vicissitudes he observes in a typical from his essay on traveling Nowhere." I see it in his portrayal of a pathologist who "can't tell me who my lady cardigan, and pump or corporal exotic much as I,

I had to grit my teeth and wipe away cold sweat to get through his description of trying in vain to close off the gushing of an aorta eaten away by cancer ("Sarcophagus"). There may be some beauty in the way Seizer writes about these encounters with sickness and death, but to me the art of them seems gratuitous. It is quite enough that such things simply happen.

Why then must Seizer seek metaphors and mythologies in his operating-room experiences? Why must he compare the open eyes of his dead mailman-friend to the win-

met who despises port would sell his father's man ragout of cuckoo tongue" by portraying more extreme than his own, he can make appear normal.

But I am not a reliable witness. The intern fainting at the dissecting table is the best example I can think of. I have been etherized on the table. Dizzy and afraid, I let Seizer and see only his eyes inscrutably above his mask. Under such circumstances it is difficult to listen carefully, hear what the knife is ras-

Christopher Lehmann-Nitsch
the staff of The New York Times

NEW YORK, Sept. 16 (U.P.)—The New York State Education department today yesterday would reject the results of a wide test for registered nurses this summer by 12,000 students because the entire nation may have been available beforehand. The test investigated by the state police several other states will be in legal action soon, officials said.

The five-part test was given to students on July 10 and 12,000 who took it in New York will be required to take another before they can be licensed. Plicants who took the exam states will not be licensed.

York, said Arnold Bloom, a union spokesman.

The investigation began July when the state received saying that copies of the exam had been available for \$2,000.

By Robert

Tigran Petrosian, the former world champion, won the 1979 Paul Keres Memorial Tournament in Tallinn, the Soviet Republic of Estonia, with a score of 12-4. Mikhail Tal, another former world champion and the winner of the first Keres Memorial in 1977, shared second place with Grandmaster Rafael Vaganian, one of the leading Soviet representatives of the younger generation. Each tallied 11½-4½.

which aimed to yield some
the center to Black, the op-
tion that Petrosian created.
PxP, e.p., PxP, gave Vile's
problem of finding a safe p-
his queen in view of the co-
QR-Q1.

After 16 . . . N-Q4; 17
the exchange with 17 . . .
N-N1 would not have slack-
pressure (18 . . . Q-B2; 19-
F-B4; 20 P-K5, N-B1; 21
Kx-B; 22 Q-B4ch, K-B);
K6ch, for example, is a dis-
Black).

Player	W.	L.	D.	Pts.
Frustration	8	0	8	12
Ted	8	1	7	11½
Vogelman	8	1	7	11½
Greenstein	6	2	8	10
Sax	7	4	5	9½
Veinagold	5	2	9	9½
Harrison	5	5	4	8
Kline	5	4	6	8
Lachinsky	5	4	6	8
Zitnik	2	5	10	5
Zitnik	2	5	10	5
Christensen	3	4	9	7½
Mel	2	3	11	7½
Vieira	2	7	6	4
Wasserman	1	5	10	4
Robson	7	2	7	5
Ivanovic	1	10	2	5
Ramirez	1	12	3	2½

On the other hand, Vill
B-B3 allowed Petrosian
time a devastating series
of nations with 18 QxN1 that
wreck the black position.
QxR: 19 P-K4, it was
escape the loss of a piece
counterpin 19. Q-K2, b
N-N3: N-B5; 21 P-K51, f
N-B47; 22 N-B5 wins
22 KR-K1, the new pin on
file was powerful.
Vilella could neither play
Q-B3; 23 R-Q71, nor 22
23 NxR, NxN: 24 P-B4. T
that was left was 22. Q
his king position was ruin
N-N51

Petrosian is known as the wizard of the close game, but if the conditions suit him, he is not averse to winning open positions as well, as the Cuban international master, Jose Vilela, quickly discovered.

The object of Petrosian's 4 P-QR3 was to prevent a pin with 4 B-B5, and to encourage Black to transpire into an old-fashioned queen's gambit, with 4... P-Q4; 5 PxP, P-P4, 6 B-B4, Vilela's alternative, 4... N-KB3?!

White to obtain an advantage in space with 5 P-Q4, blocking the black QR.

After picking up the exch
25 BxR, RxR, Petrosian re
working on the king file pin
N-B3. On 26 . . . P-B4;
RxN, he set up a crushing
the diagonal with 28 Q-B3.
Since Petrosian's 29
forced the wiz of a piece
QxR: 30 QxRch, K-B2; 31
or 29 . . . Q-N1; 30 R-B2;
R-B7ch, K-K3; 32 R-K7ch
resigned.

After 9 . . . B-K2, the transparent threat of 10 . . . NxP was easily cashed by 10 B-QB4. On 10 . . . N-B4, Petrosian was willing to lose a tempo with 11 B-B4 to sidestep Vilela's intended bid for simplification with 11 . . . KN-K5. And again, after 11 . . . R-K1; 12.0-0, N4-K5, he avoided, with 13 N-K2, the possible exchange with 13 . . . NxN; 14 PxN that would otherwise have eased Vilela's cramped position.

QUEEN'S INDIAN DEFE			
White Percentage	Black White	White Percentage	
1 P-Q4	P-Q3	10 0-2	
2 P-Q4	P-Q3	17 0-2	
3 N-Q3	N-Q3	18 0-2	
4 P-Q3	P-Q3	18 1-5	
5 P-Q3	P-Q3	20 1-3	
6 P-Q3	P-Q3	21 P-Q3	
7 N-Q3	N-Q3	22 K-R1	
8 P-Q3	P-Q3	23 P-Q3	
9 P-Q3	P-Q3	24 P-Q3	
10 P-Q3	P-Q3	25 P-Q3	
11 P-Q3	P-Q3	26 P-Q3	
12 P-Q3	P-Q3	27 P-Q3	
13 P-Q3	P-Q3	28 P-Q3	
14 P-Q3	P-Q3	29 P-Q3	
15 P-Q3	P-Q3	30 P-Q3	

هكذا من العمل

Broncos Edge Past Falcons In Field Goal

From Agency Dispatches

ANTA, Sept. 16 — Jim kicked a 24-yard field goal to lead the Broncos to a 20-17 victory over the Atlanta Falcons in the final seconds of the play of the National League game.

Falcons, led by Steve Bartkowski, set a team record by scoring 325 yards in the first half, but a 22-yard touchdown pass from Bartkowski to Walter Washington, 2-1, got the ball back to the Broncos. Bartkowski passed the team down to the 14, but Mazzetti was wide of the field goal attempt with 1:14 left.

Broncos, winning the toss, drove from their own 27 to the Atlanta 7-yard line. Turner kicked the winning field goal with 6:15 gone in the second period.

Broncos, 2-1, appeared to win the game back in the quarter when quarterback Weese scored his second of the afternoon after some fumbles. He drove the team to the Atlanta 27, but then the Falcons set up the overtime.

Broncos 13, Colts 10

Levi, Brian Sipe hit tight end Newsome with a 74-yard pass to set up a 28-yard field goal by a 1:55 left in the second period. He also kicked the field goal to lead the Broncos to a 13-10 victory over the Colts.

Newsome's Toni Linhart missed a field goal attempt with 1:55 remaining, his third of the day, to seal the victory. Broncos — who have won their three games by three or more points — started their winning drive with a 12-yard pass to Sipe. On third down, Sipe hit Newsome with a 74-yard pass to set up a 28-yard field goal by a 1:55 left in the second period. He also kicked the field goal to lead the Broncos to a 13-10 victory over the Colts.

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S. Doctor Threatens Block Olympic Skiing

ENA, Mont., Sept. 16 (AP) — Dr. Little, a physician here, threatening to cancel the alpine races at the 1980 Olympic Games if the FIS is in a position to carry out a threat.

Chairman of the International Federation of Ski Federation's medical committee, Dr. Little said he has been vice president of the International Federation of Skiing since 1960 and has been vice president of the FIS since 1967.

He warned officials at Lake Placid, N.Y., that he will cancel the alpine races if the FIS does not agree to his demands for better facilities for injured skiers.

Dr. Little said he will "throw a couple of hurdles in front of those bureaucrats." He flies to Switzerland in October for a meeting with other alpine experts, and he says his first move will be to recommend that the national teams withdraw from potentially dangerous events.

The second step, he said, will be to ask the FIS council, at a meeting in November, to withdraw its sanction of the Olympic races.

"Races aren't much good without the approval of the sport's governing body," Little commented. "I'm putting heat on where it hurts. We're tearing the guts out of the Winter Olympics if we pulled out the showcase ski races."

But, he said, he is confident that he will not have to recommend withdrawal by the FIS or the teams.

"Public interest in the races is too high," he explained.

Too Violent, Mario Feels

ONTO, Sept. 16 (UPI) — A minor hockey is too violent, too much emphasis on scoring and not enough on basic and the coaching is questionable, says a survey by the Ontario Hockey Federation.

The survey by the Ontario Hockey Federation asked parents about the level of minor hockey in Ontario and their recommendations. The survey found 78,754 questionnaires and 31,302 parents responded.

Survey showed that 94.3 per cent of parents believe children under 10 should be learning skating and shooting rather than travelling and playing in a five-man game.

It said they wanted more emphasis on skating and puck control and less body contact. About 60 per cent said they would support a body contact rule for 10- and 11-year-olds.

Average 76.1 per cent said there was too much violence in minor hockey. But only 41.6 per cent said there was too much violence in their own child's league.



Halback Shelby Gamble of Boston College dives into the end zone against Tennessee, unfortunately without the football. However he recovered his fumble for a touchdown.

Notre Dame Upsets Michigan

ANN ARBOR, Mich., Sept. 16 (UPI) — Senior Chuck Male broke his own school record with four field goals yesterday and Notre Dame's defense came alive in the second half to lead the underdog Irish to a 12-10 upset of Michigan.

Male kicked field goals of 40 and 44 yards following Michigan fumbles in the first half and field goals of 22 and 39 yards in the third quarter.

Notre Dame, playing its first game of the season, surrendered 12 first downs in the first half but held Michigan to just two first downs in the second half.

John Wampler made his first appearance of the game at quarterback for Michigan with 2:02 left and marched the team from its own 42-yard line to the Irish 25 where a 42-yard field-goal attempt was blocked with six seconds remaining.

The loss was Michigan's first of the season following an opening-game victory and the Wolverines' first non-conference loss since a 1969 Missouri team, also coached by Dan Devine, beat them.

College Scores

East	West
Army 35, Connecticut 10	Auburn 24, Kansas 10
Boston U. 34, Maine 13	Bozeman 42, San Francisco 13
Duke 28, Wake Forest 14	Cal 24, Stanford 14
Lafayette 33, Kings Point 6	Florida St. 31, Arizona St. 10
Lehigh 44, Slippery Rock 7	Florida 24, Georgia 10
Marquette 24, Holy Cross 17	Georgia Tech 27, Clemson 10
Northwestern 31, Rhode Island 7	Illinois 24, Indiana 10
Penn St. 45, Rutgers 10	Michigan 24, Ohio St. 10
Pittsburgh 24, Cornell 10	Minnesota 24, Wisconsin 10
Syracuse 34, Wake Forest 14	Mississippi St. 24, Tennessee 10
Texas A.M. 24, Texas Tech 10	Nebraska 24, Baylor 10
Tennessee 24, South Carolina 10	North Carolina 24, Virginia 10
Virginia 24, Duke 10	Ohio St. 24, Michigan 10
Wake Forest 24, Clemson 10	South Carolina 24, Georgia 10
West Virginia 24, Kentucky 10	U. of Chicago 24, Princeton 10
Wisconsin 24, Illinois 10	U. of Michigan 24, Ohio St. 10
Yale 24, Harvard 10	U. of Wisconsin 24, Michigan 10

Major League Standings

AMERICAN LEAGUE	Best	W	L	Pct.	GB
Baltimore	16	10	6	.625	0
Minnesota	15	10	7	.588	1
New York	14	10	8	.556	2
Seattle	13	10	9	.524	3
Toronto	12	10	10	.500	4
California	11	10	11	.476	5
Kansas City	10	10	12	.452	6
Los Angeles	9	10	13	.429	7
San Francisco	8	10	14	.414	8
Seattle	7	10	15	.390	9
Oakland	6	10	16	.367	10

Stenmark Recovering From Bad Spill

INNSBRUCK, Austria, Sept. 16 (AP) — Ingemar Stenmark, the former World Cup skiing champion who suffered a brain concussion in a spill while practicing on slopes in Italy yesterday, was in good health and spirits today, his trainer, Hermann Nogler, said.

Stenmark was brought to the university clinic here from Bolzano, Italy, last night. Nogler said the transfer was necessary because the Bolzano hospital did not have electronic equipment necessary to conduct the required tests.

"Doctors told me Stenmark is fine," Nogler said. "He underwent a full, total checkup, and X-ray pictures were taken in places where he felt a little pain, but the result is super. He has suffered no fracture or other serious injury."

Nogler said Stenmark "will stay in hospital here for another two to three days for checkups and observation, and will then go home" to Sweden. He probably will resume training early in October, Nogler said.

After the fall while practicing the downhill, Stenmark was unconscious for 15 minutes. Nogler said Stenmark apparently lost his balance because of strong winds at the resort of Val Senales.

Stenmark, who won the World Cup three of the last four seasons on the strength of his performances in the slalom and giant slalom, was in his second day of downhill training on a specially prepared course.

He lost his championship last year to Peter Lüscher of Switzerland when organizers changed championship rules to the advantage of multi-disciplined skiers.

Europe Rallies to Trail by a Point

U.S. Leads in Ryder Cup

WHITE SULPHUR SPRINGS, W. Va., Sept. 16 (UPI) — The European team rallied yesterday to make the Ryder Cup golf competition a close one.

The visitors, trying to break the United States' hold on the trophy, won three of four morning foursome matches and two of four afternoon fourball matches to rally from a 5 1/2-4 1/2 first-day deficit to trail, 8 1/2-7 1/2. The score puts the Europeans in excellent position to try and snap their 22-year winless streak during today's finale of 12 singles matches over the 6,721-yard Greenbrier Course.

The best the visitors have done since their most recent victory in 1957 was a tie in 1969.

The Lanny Wadkins-Larry Nelson twosome pushed their two-day record to four victories in four matches. The pair's two victories yesterday both came over Severiano Ballesteros and Antonio Garrido, Spaniards who are playing in their first Ryder Cup under a new rule that permits continental Europeans to qualify for the previously all-British and Irish team.

Two on One

Neither twosome played particularly well in the foursome match, in which two golfers play one ball, alternating strokes. Wadkins and Nelson put together an eagle and two birdsies to offset three bogeys and win the match, 3 and 2.

In the fourball, or better-ball, match, Wadkins and Nelson made eight birdies and an eagle on the demanding par-72 course before they defeated the Spaniards, 5 and 4, on the 14th hole.

Two twosomes accounted for four of the Europeans' five victories.

Nick Faldo and Peter Oosterhuis, both Britons, scored a decisive 6 and 5 victory over Andy Bean and Tom Kite in foursome play. Then they held off Lee Elder and Mark Hayes for a 1-up victory in a fourball match.

Two other Britons, Brian Barnes and Bernard Gallacher, pushed their four-match, twosome record to 3-1 with two victories yesterday. In foursome play, they defeated Fuzzy Zoeller and Hayes, 2 and 1. Then they defeated Zoeller and Lee Trevino, 3 and 2, in fourball.

Tony Jacklin and Sandy Lyle earned the other point for Europe yesterday by defeating Elder and John Mahaffey, 5 and 4, in foursome play. But the Jacklin-Lyle twosome fell to Hale Irwin and Kite, 1-up, in a fourball match.

Friday, in foursome play, Irwin and Kite defeated Ken Brown and Dez Smyth, 7 and 6; Wadkins and Nelson defeated Gallacher and Barnes, 4 and 3; Ballesteros and Garrido defeated Zoeller and Green, 3 and 2; and Trevino and Gil Morgan, United States, tied Sandy Lyle and Tony Jacklin.

In better-ball play, Wadkins and Nelson defeated Ballesteros and Garrido, 2 and 1; Trevino and Zoeller defeated Ken Brown and Mark James, 3 and 2; Bean and Elder, defeated Oosterhuis and Faldo, 3 and 2; and Gallacher and Barnes defeated Irwin and Mahaffey, 2 and 1.

U.S., Czechoslovakia, Italy Gain in Tennis

ROME, Sept. 16 — Italy, Czechoslovakia and the United States advanced to the Davis Cup tennis semifinals this weekend.

In action here today, Adriano Panatta and Corrado Barazzutti swept both reverse singles matches to close out a 4-1 European Zone A triumph over Britain and gain a finals slot next month against Czechoslovakia.

In Prague, Ivan Lendl defeated Kjell Johansson of Sweden today, 8-10, 6-4, 6-4, 4-6, 5-1, to give his country a 3-1 margin. Bjorn Borg, injured in the doubles match yesterday, did not play the final singles against Tomas Smid.

Borg won his rain-interrupted match against Ivan Lendl 6-4, 7-5, 6-2 yesterday to level the match at 1-1 but in the afternoon's doubles, which is not his specialty, Borg teamed with Ove Bengtsson to lose.

The Americans, leading 2-0 after the opening singles, had a much harder fight than expected to subdue Argentina in doubles. Guillermo Vilas and Jose-Luis Clerc took the first two sets before Stan Smith and Bob Lutz recovered to win, 2-6, 4-6, 11-9, 6-4, 6-1, and give the United States a 3-0 lead.

John McEnroe beat Vilas, 6-2, 6-3, 6-2, Friday night after Vilas' Gerulaitis defeated Clerc, 6-1, 7-5, 6-1.

In the decisive match here between Italy and Britain, Panatta crushed John Lloyd, 6-3, 6-2, 5-3, to give Italy an unbeatable 3-1 lead. Barazzutti outlasted Buster Mottram, 8-6, 7-5, in the last match, which was reduced to two sets by mutual agreement.

No Trouble

Panatta lost to Mottram in the opening singles match Friday but Italy evened the score in the second singles match when Barazzutti downed Lloyd, 6-1, 6-4, 6-4. Yesterday the Italians took a 2-1 lead as Barazzutti and Antonio Zangari defeated David Lloyd and Mark Cox, 7-5, 10-8, 6-1, in doubles.

The British coach, Paul Hutchings, was philosophical about his nation's eighth successive Davis Cup defeat by the Italians. "I am very disappointed we lost, but I wouldn't have done anything differently," he said.

In another match, in Hilversum, the Netherlands, Denmark was defeated by the Netherlands, 3-2, today in the second round of European Zone B competition.

After Denmark took a 2-1 lead in the doubles yesterday, Rolf Thung tied the match today by beating Michael Mortensen, 7-5, 3-6, 7-5, 9-7, in the first singles.

Louk Sanders then clinched the victory by downing Lars Elvstrom, 7-5, 6-1, 3-6, 6-0.

In Helsinki, Finland swept Egypt, 5-0, in their European zone match as Matti Tuominen beat Ahmed El Mehmei, 6-2, 6-1, 6-0, and Leo Palm defeated Tarek Shawki El Sakka, 6-4, 6-1, 6-0, today.

In Dublin, Bulgaria downed Ireland, 3-2.

The Bulgarians led, 2-1, going into the final day, but Ireland's top player, left-hander Soren Sorensen, tied the match with a 6-4, 6-4, 4-6, 6-1 victory over Ljubomir Petrov.

Bulgaria's captain and No. 1 player, Ljuben Genev, clinched the match with a 6-0, 6-4, 6-0 victory over Kevin Menton.

Galindez Loses Title

BUENOS AIRES, Sept. 16 (AP) — The World Boxing Association has stripped Victor Galindez of his light-heavyweight boxing title for allegedly breaking a contract to defend it. A spokesman for the 30-year-old Argentine boxer said he would appeal the decision.

Saturday: Split Leaves Expos in Second

From Agency Dispatches

MONTREAL, Sept. 16 — The Montreal Expos, playing the second of their six doubleheaders in the stretch, came through with the big hit in the first game but settled for a split with the St. Louis Cardinals here yesterday to fall a half game behind the Pittsburgh Pirates in the National League East.

Rodney Scott delivered a base-loaded single with one out in the 11th inning to give the Expos a 2-1 victory in the first game. But Gary Templeton hit a two-run homer and John Fulgham pitched a four-hitter to give the Cardinals the second game, 4-1.

It was only Montreal's second loss in the last 19 games and snapped the Expos' 13-game home winning streak.

Pirates 5, Mets 4

In Pittsburgh, Bill Robinson's seventh-inning single scored Omar Moreno and lifted Pittsburgh to a 5-4 victory over New York. Moreno started the winning rally by drawing a one-out walk off reliever and loser Ed Glynn (1-3). Tim Foli walked and Dave Parker scored Foli at second as Moreno moved to third. Robinson then followed with his game-winner, a single to center and his second RBI of the game.

Reds 2, Dodgers 1

In Los Angeles, Dan Driessen homered with two out in the top of the ninth inning to break a tie and give Cincinnati a 2-1 victory over Los Angeles. Dusty Baker homered in the fourth inning, his 22d of the year, to give the Dodgers a 1-0 lead. Shut out for seven innings, the Reds scored in the eighth when Dave Collins hit his third homer.

Giants 5, Astros 3

In San Francisco, Larry Herndon's two-out, two-run pinch triple capped a five-run eighth inning as San Francisco defeated Houston, 5-3. Herndon hit a 3-2 pitch off Joe Sambito, the Astros' relief ace.

Phillies 8, Cubs 1

In Philadelphia, Keith Moreland, a rookie catcher, sparked a seven-run first inning with a bases-loaded triple in leading Philadelphia to an 8-1 victory over Chicago. Dan Larson (1-0), recently recalled from Oklahoma City along with Moreland, allowed only five hits in seven innings to gain the victory.

Red Sox 10, Orioles 2

In the American League, at Baltimore, Bob Watson got four hits, drove in two runs and became the first Boston player to hit for the cycle in 14 years as Boston romped to a 10-2 victory over Baltimore.

Bristol Is Given 2-Year Contract To Lead Giants

SAN FRANCISCO, Sept. 16 (UPI) — Dave Bristol has been signed by the San Francisco Giants to manage the baseball team through 1981.

Bristol, who started the year as a coach for the Giants, was named interim manager following the firing of Joe Altobelli earlier this month. But made it clear he wanted a permanent position.

He spent 19 years in the Cincinnati Red organization as a player, minor league coach and manager, replacing Don Heffner as manager of the Reds in 1966 to become one of the youngest major league managers in National League history. He was fired in 1969.

In 1970 he became manager of Milwaukee for three years and managed Atlanta in 1976 and 1977, suffering losing seasons with both clubs. He served as a coach at Montreal before coming to the Giants at the start of this season.

Friday: Home Run in 10th Leads Cubs Over Phillies

PHILADELPHIA, Sept. 16 (UPI) — Jerry Martin hit a two-run homer with two out in the bottom of the 10th inning here Friday night to give the Chicago Cubs a 2-0 victory over the Philadelphia Phillies.

Larry Bittner opened the 10th with a single off reliever Ron Reed and scored ahead of Martin to snap a four-game Chicago losing streak. Bruce Sutter (5-6), the fourth Chicago pitcher, picked up the victory. Reed (10-8) came in for rookie Dickie Noles and took the loss.

Astros 7, Giants 0

In San Francisco, Vern Ruhle pitched a four-hitter and Rafael Landestoy drove in two runs, scored two and stole two bases to give Houston a 7-0 victory over San Francisco.

Ruhle (2-3) allowed only three runners to reach second base and struck out two and walked one. On the disabled list for three months with a back injury, Ruhle won his first game since April 18.

Dodgers 2, Reds 0

In Los Angeles, Rick Sutcliffe held Cincinnati hitters through 6 1/3 innings and settled for a three-hitter to lift Los Angeles over Cincinnati, 2-0. The rookie right-hander walked four and struck out one to raise his record to 15-9 in pitching his first complete game.

Braves 10, Padres 7

In San Diego, Dale Murphy had five hits, including two homers and a run-scoring triple, to spark Atlanta to a 10-7 victory over San Diego.

Angels 8, Brewers 7

In Milwaukee, Rod Carew's sacrifice fly scored Bobby Grich with the winning run in the ninth to give California an 8-7 victory over Milwaukee.

